



# STATE OF NEW MEXICO

## Annual Comprehensive Financial Report



**For the Fiscal Year End 2024**

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Prepared by:

**The Department of Finance and Administration**

Cabinet Secretary Wayne Propst

Acting State Controller Mark Melhoff

190 Bataan Memorial Building  
Santa Fe, NM 87501  
(505) 827-3640

**STATE OF NEW MEXICO**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2024**

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## INTRODUCTORY SECTION



**New Mexico**  
**Department of Finance**  
**and Administration**

**407 Galisteo St,**  
**Santa Fe, NM 87501**  
**(505) 827-4985**

**Cabinet Secretary Wayne Propst**

**Deputy Cabinet Secretary Renee Ward**

**Acting State Controller Mark Melhoff**

**Governor Michelle Lujan Grisham**

To the Governor, the New Mexico 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 (DFA) respectfully transmits the State of New Mexico's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

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 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, has 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, 2024, are free of material misstatement. Independent audit procedures include examining, on a test basis, supporting amounts and disclosures, assessing the accounting principles used, reviewing 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 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 impacts reporting timeliness because the preparation of the ACFR can only begin once the underlying agency audits are completed, typically not available until December following the fiscal year-end. For fiscal year 2024, audit timing faced additional challenges, as a handful of larger agencies/entities submitted their audits late, and the delayed release of certain audits further postponed the ACFR submission.

Discussions continue within the Department of Finance and Administration and the State Auditor's Office (SAO) to look for ways to streamline and shorten the overall Report preparation process.

DFA is proud of the improvements in controls and processes in recent years which have allowed the state to produce a reliable Annual Comprehensive Financial Report; and expects to continue to look for ways to build upon these improvements.

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

New Mexico became the forty-seventh state of the United States of America 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 population of the state was 2,139,350 as of July 2024.

New Mexico's 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, which can be amended only by a majority vote of the state's citizens. The 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.

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. New Mexico also administers two cost-sharing multiple-employer public employee retirement systems and three single-employer public employee retirement systems.

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

appropriation level. The budget is administered using the modified accrual basis of accounting; however, the budgetary basis is not consistent with GAAP.

## **ECONOMIC CONDITIONS AND OUTLOOK**

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

The CREG bases its state general revenue forecast on forecasts of the U.S. economy from Moody's Analytics and IHS Market 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.

New Mexico's 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.

New Mexico's economy showed growth in fiscal year 2024, with the real gross domestic product expanding by 4.6 percent on a year-over-year basis. The wages and salaries in the state increased by 6.9 percent and the total personal income grew by 3.9 percent. In the same period, employment in New Mexico increased by 1.1 percent, which means the state added approximately 10,100 jobs.

## **LONG-TERM FINANCING**

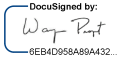
New Mexico's Constitution and laws authorize the state to issue general obligation bonds, severance tax bonds and revenue bonds to finance or refinance the cost of state capital projects. General obligation bonds are secured by the full faith and credit of the state and are repaid from a dedicated statewide 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 which recently increased the state's outlook from stable to positive based on actions taken by the Executive and Legislature.

## **ACKNOWLEDGMENTS**

This report could not have been prepared without the cooperation of 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:  
  
8EB4D958A86A432...

3/20/2025

Wayne Propst

Cabinet Secretary

# STATE OF NEW MEXICO

## SELECTED STATE OFFICIALS

June 30, 2024

### Executive

**Michelle Lujan Grisham, Governor**

**Howie Morales, Lieutenant Governor**

|   |   |   |  |   |
|---|---|---|--|---|
| <b>Maggie Toulouse Oliver</b><br>Secretary of State | <b>Joseph M. Maestas</b><br>State Auditor | <b>Laura Montoya</b><br>State Treasurer | <b>Raul Torrez</b><br>Attorney General | <b>Stephanie Garcia Richard</b><br>Commissioner of Public Lands |
|---|---|---|--|---|

- **Gabriel Aguilera**, Public Regulation Commission • **James Ellison**, Public Regulation Commission • **Patrick O'Connell**, Public Regulation Commission

### Judicial

|  |   |   |  |   |
|--|---|---|--|---|
| <b>David K Thomson</b><br>Chief Justice of the Supreme Court | <b>Michael E. Vigil</b><br>Justice of the Supreme Court | <b>C. Shannon Bacon</b><br>Justice of the Supreme Court | <b>Julie J. Vargas</b><br>Justice of the Supreme Court | <b>Briana H. Zamora</b><br>Justice of the Supreme Court |
|--|---|---|--|---|

- **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

|  |   |   |   |
|--|---|---|---|
| <b>Mimi Stewart</b><br>President Pro Tempore | <b>Peter Wirth</b><br>Majority Floor Leader | <b>William E. Sharer</b><br>Minority Floor Leader | <b>Michael Padilla</b><br>Majority Whip |
| <b>Pat Woods</b><br>Minority Whip            |   |   |   |

### Legislative – House of Representatives

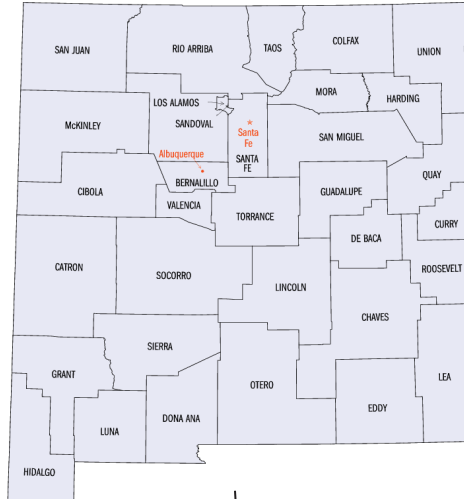
|  |   |  |   |
|--|---|--|---|
| <b>Javier Martinez</b><br>Speaker of the House | <b>Reena Szczepanski</b><br>Majority Floor Leader | <b>Gail Armstrong</b><br>Minority Floor Leader | <b>Dayan Hochman-Vigil</b><br>Majority Whip |
| <b>Alan T. Martinez</b><br>Minority Whip       |   |  |   |

# STATE OF NEW MEXICO

## ORGANIZATIONAL CHART

June 30, 2024

### 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, 2024, 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, 2024, 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, 2024 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**

| <b><u>Government-Wide</u></b>                  | <b><u>Total Assets</u></b> | <b><u>Total Revenues</u></b> |
|--|----------------------------|------------------------------|
| Governmental activities                        | 84%                        | 50%                          |
| Business-type activities                       | 94%                        | 99%                          |
| Aggregate discretely presented component units | 66%                        | 63%                          |

#### **Fund Statements**

|  |      |      |
|--|------|------|
| Major governmental fund - General Fund                 | 75%  | 50%  |
| Major governmental fund - Severance Tax Permanent Fund | 100% | 100% |

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  
State of New Mexico

|   |      |      |
|---|------|------|
| Major governmental fund - Land Grant Permanent Fund   | 100% | 100% |
| Major enterprise fund - Educational Institutions Fund | 100% | 100% |
| Aggregate remaining fund information                  | 78%  | 55%  |

### ***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***

#### ***Restatement***

As discussed in Note 9 to the financial statements, opening net position to the business-type activities was restated due to corrections made in the prior fiscal year for the Unemployment Insurance Fund. 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  
State of New Mexico

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 State of New Mexico'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 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  
State of New Mexico

### ***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 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 by us and other auditors. In our opinion, the combining statements and individual fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

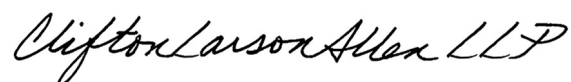
### ***Other Information***

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 March 25, 2025, 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 State of New Mexico's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Albuquerque, NM  
March 25, 2025

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**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

**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, 2024. 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 2024 with a net position of \$70.5 billion, an increase of \$11.2 billion, or 18.8 percent, from the previous year.
- The net position is comprised of \$10 billion in net investment in capital assets, \$65.4 billion in restricted, and a deficit \$4.9 billion in unrestricted, excluding component units.
- As a result of operating activities, the primary government's total net position increased by \$11.2 billion, or 18.8 percent, in fiscal year 2024 when compared to the previous year's ending net position. The net position of governmental activities increased \$10 billion, or 17.5 percent, from previous year's ending net position.
- Program revenues for the primary government decreased by \$0.9 billion or 4.1 percent on a year to year basis. Taxes and other general revenues increased by 11.8 percent from the previous year. Expenses of \$29.8 billion, decreased by \$2 billion, with the majority of the decrease being in General Control, Education, Culture, Recreation, and Natural Resources.
- The net position of the business-type activities increased by \$1.1 billion or 58.9 percent, from the previous year's ending net position. The business-type activities from the prior fiscal year saw an increase in total revenue of \$0.5 billion and a decrease in expenses by \$0.2 billion. Programmed revenue from the prior fiscal year saw an increase of \$0.7 billion, while transfers showed an increase of \$0.1 billion.

***Long-term Debt***

- The State's long-term bonded debt decreased a net of \$560 million for both governmental and business-type activities, combined, due to principal payments made. Additionally, no new bonds were issued relating to both governmental and business-type activities. 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**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

***Fund Level***

***Governmental Funds***

- As of June 30, 2024, the State reported an ending fund balance of \$66.1 billion, an increase of \$9.4 billion, or 16.5 percent, from fiscal year 2023.
- Year to year there was an increase in revenue of \$0.9 billion, primarily the result of an increase in income taxes and investment income. Year to year, expenditures increased by \$2.5 billion. Operationally, expenditure increases in the areas of Education, Culture, Recreation, and Natural Resources were the primary drivers.
- The unassigned fund balance as of the end of fiscal year 2024 was \$426.9 million.

***Proprietary Funds***

- As of June 30, 2024, the State reported an ending net position of \$3.1 billion, an increase of \$1.1 billion, or 58.9 percent, from fiscal year 2023.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

This report also includes statistical data.

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

***Government-wide Statements***

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

**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

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, 2024**

*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.

**STATE OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

- 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, 2024, were \$91.5 billion, an increase of \$11.4 billion or 14.2 percent from prior fiscal year. The majority of the increase is due to increased short- and long-term investments and an increase in other current assets.
- For governmental activities, total assets and deferred outflows were \$83.1 billion, an increase of \$11.1 billion, or 15.4 percent.
- For business-type activities, total assets and deferred outflows were \$8.6 billion, increase of \$400 million or 4.9 percent.
- Total Liabilities and Deferred Inflows as of June 30, 2024, were \$21.0 billion, an increase of \$300 million or 1.4 percent from prior fiscal year.
- Total liabilities and deferred inflows for governmental activities were \$15.6 billion, an increase of \$1 billion, or 6.8 percent.
- For business-type activities, total liabilities and deferred inflows were \$5.5 billion, a decrease of \$800 million or 12.7 percent.

**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

- The State's total net position of \$70.5 billion was \$11.1 billion or 18.7 percent higher in fiscal year 2024 compared to the prior year. Of the State's net position, \$9.9 billion was recorded as net investment in capital assets, while \$65.4 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 \$4.8 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, 2024**  
*(Expressed in Thousands)*

|   | Government Activities |               | Business-Type Activities |              | Total Primary Government |               |
|---|-----------------------|---------------|--------------------------|--------------|--------------------------|---------------|
|   | 2024                  | 2023          | 2024                     | 2023         | 2024                     | 2023          |
| Current and Other Assets                                | \$ 73,502,092         | \$ 62,738,539 | \$ 4,642,652             | \$ 4,258,850 | \$ 78,144,744            | \$ 66,997,390 |
| Capital Assets  | 8,804,293             | 8,342,325     | 3,401,101                | 3,206,709    | 12,205,394               | 11,549,035    |
| Total Assets  | 82,306,385            | 71,080,864    | 8,043,753                | 7,465,559    | 90,350,138               | 78,546,423    |
| Deferred Outflows of Resources                          | 810,428               | 889,465       | 394,626                  | 740,825      | 1,205,054                | 1,630,290     |
| Current Liabilities                                     | 7,259,802             | 5,921,614     | 806,495                  | 759,735      | 8,066,297                | 6,681,349     |
| Long-Term Liabilities                                   | 7,540,413             | 7,730,880     | 3,847,586                | 3,876,507    | 11,387,999               | 11,607,386    |
| Total Liabilities                                       | 14,800,215            | 13,652,494    | 4,654,081                | 4,636,242    | 19,454,296               | 18,288,735    |
| Deferred Inflows of Resources                           | 857,237               | 895,802       | 710,250                  | 1,636,034    | 1,567,487                | 2,531,837     |
| Net Position:   |                       |               |                          |              |                          |               |
| Net Investment in Capital Assets                        | 7,590,996             | 6,998,390     | 2,396,173                | 2,238,573    | 9,987,169                | 9,236,963     |
| Restricted  | 63,615,298            | 53,960,311    | 1,814,948                | 1,648,971    | 65,430,246               | 55,609,282    |
| Unrestricted  | (3,746,933)           | (3,536,668)   | (1,137,073)              | (1,953,436)  | (4,884,006)              | (5,490,104)   |
| Total Net Position                                      | \$ 67,459,361         | \$ 57,422,033 | \$ 3,074,048             | \$ 1,934,108 | \$ 70,533,409            | \$ 59,356,142 |
| Percentage Change in Total Net Position from Prior Year | 17.5 %                |               | 58.9 %                   |              | 18.8 %                   |               |

**Changes in Net Position**

The State's change in net position as of June 30, 2024 was \$11.1 billion, which was \$1 billion less than the 2023 change in net position.

The State earned program revenues of \$22.1 billion, collected tax revenue of \$13.1 billion, and had a gain in general revenues related to investment revenues (expenses) of \$4.5 billion. Total revenues for 2024 were \$40.1 billion, an increase of \$1 billion, or 2.6 percent from fiscal year 2023. The expenses of the State were \$29.8 billion, an increase of \$2.0 billion or 7.2 percent, from fiscal year 2023. Further analysis of the results of changes in the State's financial condition follows the analysis of the State's funds. Net program expenses exceeded net program revenue by \$7.7 billion, whereas in fiscal year 2023 this amount was \$4.8 billion.

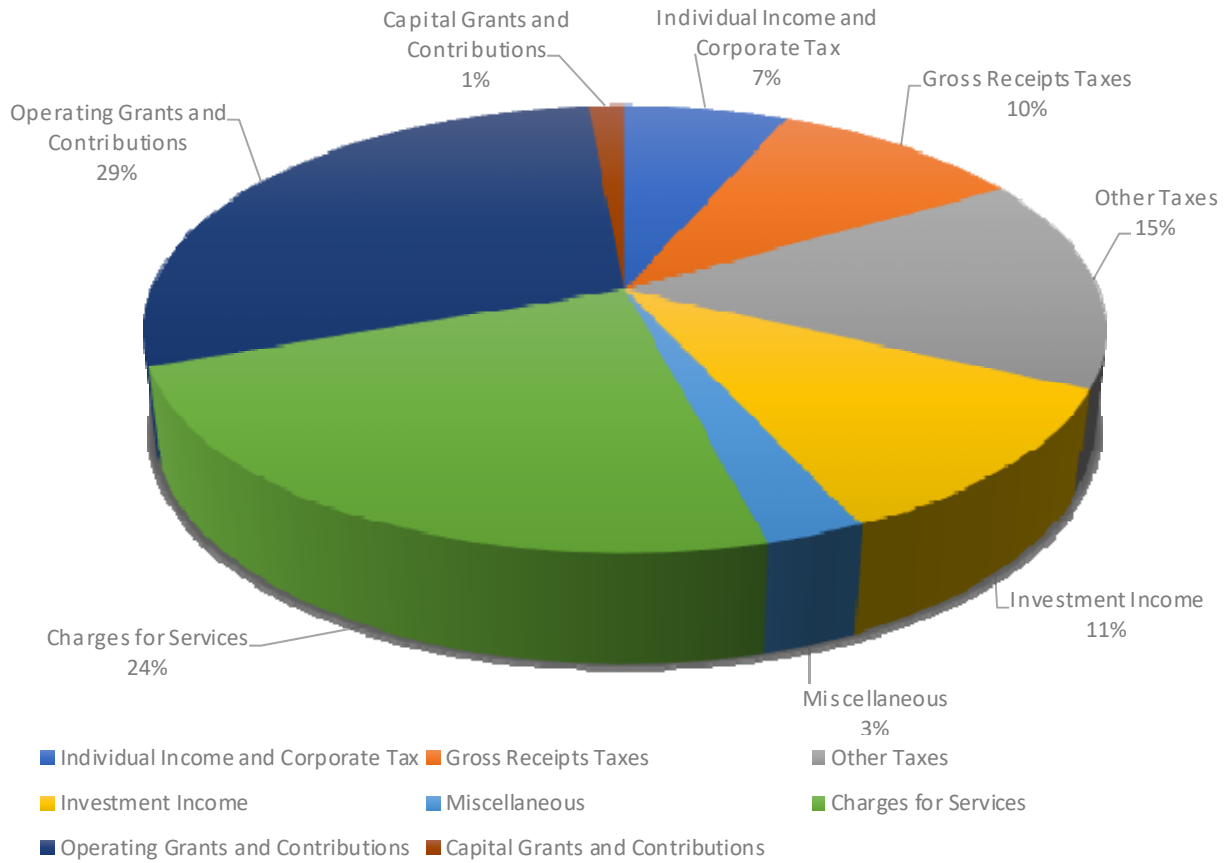
**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2024:

| <p style="text-align: center;"><b>State of New Mexico</b><br/> <b>Changes in Net Position</b></p> <p style="text-align: center;"><b>For the Fiscal Year Ended June 30, 2024</b><br/> <i>(Expressed in Thousands)</i></p> |                       |               |                          |              |                          |               |  |
|--|-----------------------|---------------|--------------------------|--------------|--------------------------|---------------|--|
|  | Government Activities |               | Business-Type Activities |              | Total Primary Government |               | Total<br>Percentage<br>Change<br>2023 to<br>2024 |
|  | 2024                  | 2023          | 2024                     | 2023         | 2024                     | 2023          |  |
| <b>Revenues</b>  |                       |               |                          |              |                          |               |  |
| General Revenues:  |                       |               |                          |              |                          |               |  |
| Taxes  | \$ 13,101,548         | \$ 12,717,598 | \$ -                     | \$ -         | \$ 13,101,548            | \$ 12,717,598 | 3.0 %  |
| Other General Revenues   | 5,301,816             | 3,486,448     | 419,300                  | 638,944      | 5,721,116                | 4,125,392     | 38.7   |
| Program Revenues:  |                       |               |                          |              |                          |               |  |
| Charges for Services   | 6,415,807             | 6,895,462     | 3,298,220                | 2,599,285    | 9,714,027                | 9,494,747     | 2.3  |
| Operating Grants and Contributions   | 11,193,969            | 12,445,085    | 620,393                  | 608,117      | 11,814,362               | 13,053,202    | (9.5)  |
| Capital Grants and Contributions   | 583,575               | 482,551       | 30,411                   | 57,753       | 613,986                  | 540,304       | 13.6   |
| Total Revenues   | 36,596,715            | 36,027,144    | 4,368,324                | 3,904,099    | 40,965,039               | 39,931,243    | 2.6  |
| <b>Expenses</b>  |                       |               |                          |              |                          |               |  |
| General Control  | 2,322,896             | 1,913,234     | -                        | -            | 2,322,896                | 1,913,234     | 21.4   |
| Culture, Recreation, and Natural Resources   | 731,495               | 259,482       | -                        | -            | 731,495                  | 259,482       | 181.9  |
| Highway and Transportation   | 1,099,613             | 1,003,382     | -                        | -            | 1,099,613                | 1,003,382     | 9.6  |
| Judicial   | 429,703               | 385,550       | -                        | -            | 429,703                  | 385,550       | 11.5   |
| Legislative  | 38,748                | 35,330        | -                        | -            | 38,748                   | 35,330        | 9.7  |
| Public Safety  | 912,554               | 755,849       | -                        | -            | 912,554                  | 755,849       | 20.7   |
| Regulation and Licensing   | 332,214               | 316,661       | -                        | -            | 332,214                  | 316,661       | 4.9  |
| Health and Human Services  | 13,075,258            | 12,914,840    | -                        | -            | 13,075,258               | 12,914,840    | 1.2  |
| Education  | 6,044,528             | 5,236,537     | -                        | -            | 6,044,528                | 5,236,537     | 15.4   |
| Indirect Interest on Long-Term Debt  | 72,896                | 63,668        | -                        | -            | 72,896                   | 63,668        | 14.5   |
| Special Items  | -                     | -             | -                        | -            | -                        | -             | -  |
| Educational Institutions   | -                     | -             | 3,954,505                | 4,244,860    | 3,954,505                | 4,244,860     | (6.8)  |
| Public Schools Insurance   | -                     | -             | 530,541                  | 442,918      | 530,541                  | 442,918       | 19.8   |
| Environmental Loans  | -                     | -             | 1,384                    | 4,452        | 1,384                    | 4,452         | 100.0  |
| Miners' Colfax Medical Center  | -                     | -             | 36,736                   | 45,316       | 36,736                   | 45,316        | (18.9)   |
| Unemployment Insurance   | -                     | -             | 223,018                  | 175,949      | 223,018                  | 175,949       | 26.8   |
| State Fair   | -                     | -             | 17,535                   | 16,204       | 17,535                   | 16,204        | 8.2  |
| Other Business-Type Activities   | -                     | -             | 25,916                   | 24,939       | 25,916                   | 24,939        | 3.9  |
| Total Expenses   | 25,059,905            | 22,884,533    | 4,789,635                | 4,954,638    | 29,849,540               | 27,839,172    | 7.2  |
| Excess Before Transfers  | 11,536,810            | 13,142,611    | (421,311)                | (1,050,539)  | 11,115,499               | 12,092,072    |  |
| Transfers  | (1,499,482)           | (1,390,769)   | 1,499,482                | 1,390,769    | -                        | -             |  |
| Change in Net Position   | 10,037,328            | 11,751,842    | 1,078,171                | 340,230      | 11,115,499               | 12,092,072    | (8.1)  |
| Net Position -   |                       |               |                          |              |                          |               |  |
| Beginning, as Restated   | 57,422,033            | 45,670,191    | 1,995,877                | 1,593,878    | 59,417,911               | 47,264,069    |  |
| Net Position - Ending  | \$ 67,459,361         | \$ 57,422,033 | \$ 3,074,048             | \$ 1,934,108 | \$ 70,533,410            | \$ 59,356,141 | 18.8   |

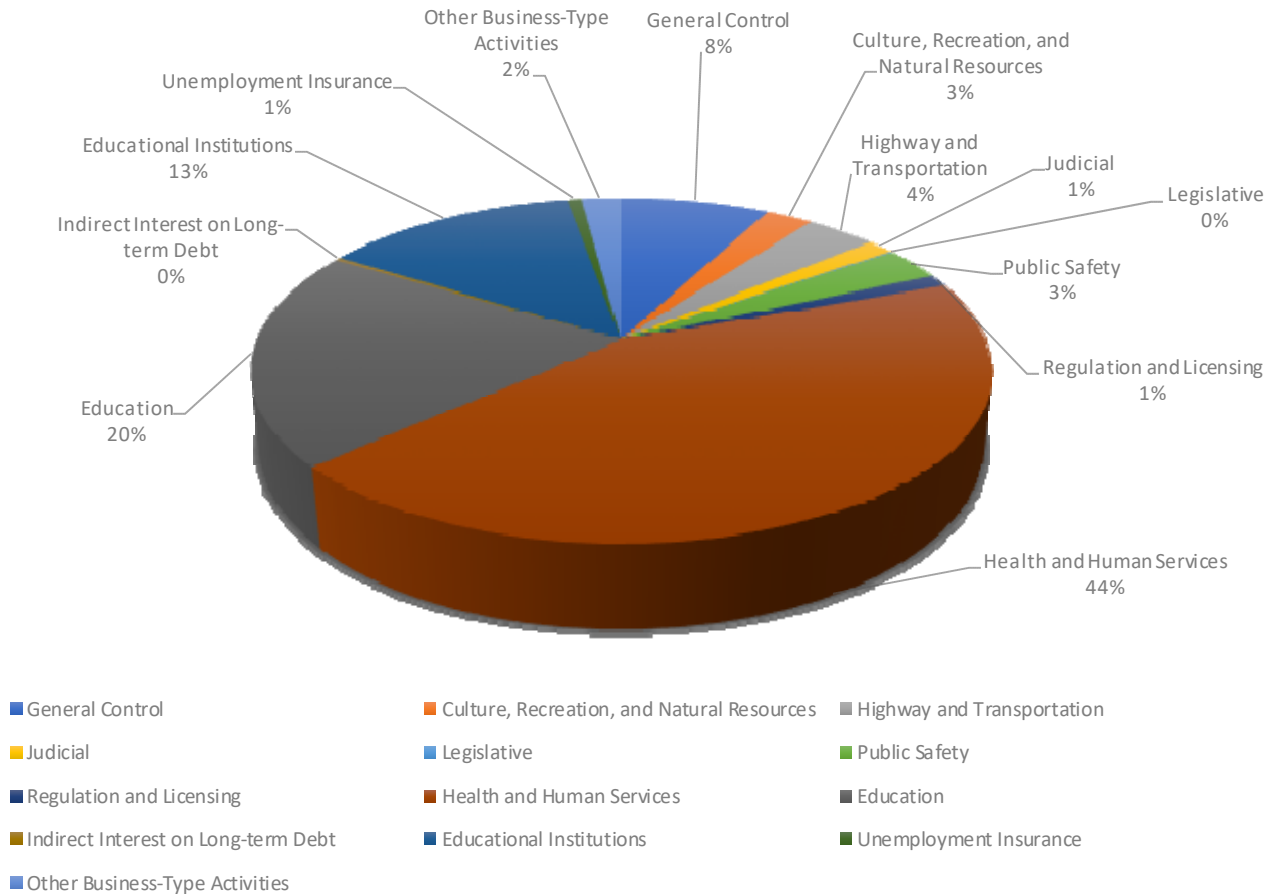
**STATE OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**State of New Mexico - Total Revenues - FY 2024**



**STATE OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**State of New Mexico - Total Expenses - FY 2024**



**Governmental Activities**

Governmental activities program revenue was \$18.2 billion, consisting of operating grants and contributions of \$11.1 billion, capital grants and contributions of \$583 million, and \$6.4 billion in service charges. Program revenues decreased \$1.6 billion from the prior fiscal year, the result of a \$1.3 billion decrease in operating grants and contributions, an \$0.1 billion increase in capital grants and contributions, along with a \$0.5 billion decrease in charges for services. Governmental activities expenses increased by \$2.2 billion year to year bringing the total to \$25.1 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 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 2024, state taxes and other general revenues covered 73 percent of expenses. The remaining 27.0 percent of the total expenses was covered by charges for services and grants and contributions.

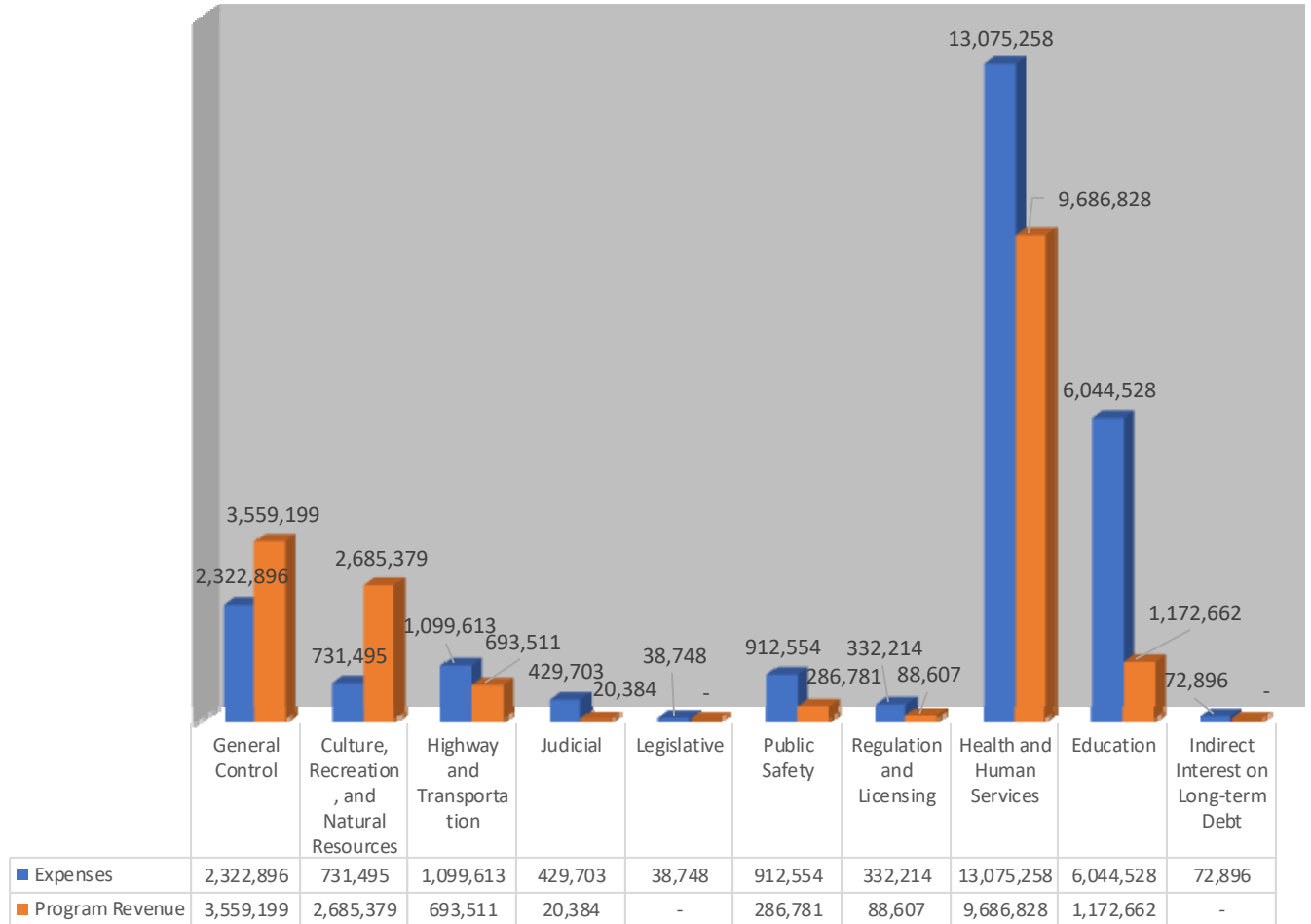
**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

**State of New Mexico**  
**Net Program Costs as of June 30, 2024**  
*(Expressed in Thousands)*

|   | Program<br>Expenses  | Less<br>Program<br>Revenues | Net Program Costs     |                       | Program Revenues<br>as a Percentage of<br>Program Expenses |                |
|---|----------------------|-----------------------------|-----------------------|-----------------------|--|----------------|
|   | 2024                 | 2024                        | 2024                  | 2023                  | 2024   | 2023           |
| General Control                               | \$ 2,322,896         | \$ (3,559,199)              | \$ 1,236,303          | \$ 2,417,516          | 153.2 %  | (226.4)%       |
| Culture, Recreation, and<br>Natural Resources | 731,495              | (2,685,379)                 | 1,953,884             | 2,613,776             | 367.1  | (1107.3)       |
| Highway and Transportation                    | 1,099,613            | (693,511)                   | (406,102)             | (403,359)             | 63.1   | (59.8)         |
| Judicial                                      | 429,703              | (20,384)                    | (409,319)             | (364,695)             | 4.7  | (5.4)          |
| Legislative                                   | 38,748               | -                           | (38,748)              | (34,337)              | -  | (2.8)          |
| Public Safety                                 | 912,554              | (286,781)                   | (625,773)             | (606,262)             | 31.4   | (19.8)         |
| Regulation and Licensing                      | 332,214              | (88,607)                    | (243,607)             | (220,527)             | 26.7   | (30.4)         |
| Health and Human Services                     | 13,075,258           | (9,686,828)                 | (3,388,430)           | (2,362,807)           | 74.1   | (81.7)         |
| Education                                     | 6,044,528            | (1,172,662)                 | (4,871,866)           | (4,037,072)           | 19.4   | (22.9)         |
| Indirect Interest on Long-Term Debt           | 72,896               | -                           | (72,896)              | (63,668)              | -  | -              |
| Total   | <u>\$ 25,059,905</u> | <u>\$ (18,193,351)</u>      | <u>\$ (6,866,554)</u> | <u>\$ (3,061,435)</u> | <u>72.6 %</u>  | <u>(86.6)%</u> |

**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

State of New Mexico  
Expenses and Program Revenues: Governmental Activities  
For the Fiscal Year Ended June 30, 2024





**STATE OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

***Business-type Activities***

Business-type activities generated program revenues of \$3.9 billion, including charges for services of \$3.3 billion, operating grants and contributions of \$620 million, and \$30.4 million in capital grants and contributions. Total program revenues were \$2.6 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 increased by \$47.1 million versus the prior year, and in the educational institutions function where expenses increased by \$290.4 million. Changes in net position was \$1.8 million versus \$340.2 million in the previous year, an increase of \$738 million.

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

***Fund Balances***

At June 30, 2024, the State's governmental funds reported combined ending fund balances of \$66.1 billion. The State reported \$65.2 billion, or 98.5 percent, as restricted, including \$32.1 billion related to the Land Grant Fund, and \$9.7 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, 2024. The committed, assigned, nonspendable, and unassigned classifications of fund balance totaled \$896 million or 1.5 percent.

**State of New Mexico  
Fund Balances as of June 30, 2024  
(Expressed in Thousands)**

|                           | General<br>Fund      | Severance<br>Tax    | Land<br>Grant        | Nonmajor<br>Governmental<br>Funds | Totals<br>Governmental<br>Funds |
|---------------------------|----------------------|---------------------|----------------------|-----------------------------------|---------------------------------|
| Nonspendable              | \$ 64,075            | \$ -                | \$ -                 | \$ 2,000                          | \$ 66,075                       |
| Restricted                | 17,308,336           | 9,746,944           | 32,093,101           | 6,062,447                         | 65,210,828                      |
| Committed                 | 219,306              | -                   | -                    | 2,520                             | 221,826                         |
| Assigned                  | 169,007              | -                   | -                    | -                                 | 169,007                         |
| Unassigned                | 443,535              | 2                   | (2)                  | (16,555)                          | 426,980                         |
| Total                     | <u>\$ 18,204,259</u> | <u>\$ 9,746,946</u> | <u>\$ 32,093,099</u> | <u>\$ 6,050,412</u>               | <u>\$ 66,094,716</u>            |
| Percent Change from Prior |                      |                     |                      |                                   |                                 |
| Year                      | <u>23.0 %</u>        | <u>17.0 %</u>       | <u>12.0 %</u>        | <u>22.7 %</u>                     | <u>16.5 %</u>                   |

***Governmental Funds***

***General Fund***

General Fund balance at June 30, 2024 totaled \$18.2 billion. Net change in General Fund balance, was an increase of \$3.4 billion. The General Fund ended the fiscal year 2024 with an unassigned fund balance of \$444 million.

**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

*Budgetary Highlights – General Fund*

The initial fiscal year 2024 budget was adopted by the Legislature during the 2023 Regular Session. The General Fund original budgeted revenues for fiscal year 2024 were slightly less than the fiscal year 2023 final budget basis revenues. After budget amendments, the actual expenditures in the General Fund were \$3 million 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, 2024, totaled \$9.7 billion, an increase of \$1.4 billion, or 16.9 percent, related to an increase in transfers in from other funds.

*Land Grant Fund*

Fund balance at June 30, 2024 is totaled \$32.1 billion, there's an increase of \$3.4 billion, or 12 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 \$3.1 billion, an increase of \$1.2 billion from the prior year net position.

***Educational Institutions***

Net Position at June 30, 2024, totaled \$2,016.1 million. Current period activity increased the Net Position of the State's educational institutions by \$1,118.4 million, or 124.6 percent. For the fiscal year 2024, the State transferred \$1.6 billion to the State's educational institutions, an increase of \$250 million, or 18.2 percent from fiscal year 2023.

**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, 2024**

**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION**

***Capital Asset Activity***

As of June 30, 2024, the State's net investment in capital assets, for governmental activities totaled \$7.6 billion and \$2.4 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 8.13 percent in total, including a 8.47 percent increase for governmental activities, and an increase of 7.06 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, 2024:

**State of New Mexico  
Bond Ratings at June 30, 2024**

| <b>Bonds</b>  | <b>Moody's</b> | <b>Standard<br/>&amp; Poor's</b> |
|---|----------------|----------------------------------|
| General Obligation Bonds                            | Aa2/Positive   | AA/Stable                        |
| Severance Tax Bonds                                 | Aa3/Positive   | AA-/Stable                       |
| Supplemental Severance Tax Bonds                    | A1/Positive    | AA-/Stable                       |
| State Transportation Revenue Bonds Senior Lien      | Aa2/Stable     | AA+/Stable                       |
| State Transportation Revenue Bonds Subordinate Lien | Aa2/Stable     | AA/Stable                        |

State of New Mexico did not issue Revenue bond, Tax bond or General Obligation bond during this fiscal year.

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, 2024**

***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 national economy, as measured by real gross domestic product (GDP), grew by 3% in fiscal year 2024, demonstrating its resilience. During fiscal years 2023 and 2024, the economy faced challenges from record levels of inflation and recessionary concerns. Additionally, moderate growth was influenced by Federal Reserve interest rate hikes, which aimed to curb persistently high inflation by slowing economic activity and the labor market without triggering a recession.

In fiscal year 2024, inflation declined from its peak of 7.2% in fiscal year 2022 to a low of 3% in fiscal year 2024. Total U.S. employment increased by 2.52 million, reflecting a 1.6% year-over-year growth from fiscal year 2023. Average hourly wages rose by 3.8%, surpassing the 3.0% inflation rate and effectively increasing workers' purchasing power. Wage growth is expected to continue outpacing inflation in fiscal year 2025, as inflation trends toward the Federal Reserve's 2% target.

The U.S. economy is projected to experience moderate growth in fiscal year 2025, with GDP expected to expand by 2.34%. However, growth is anticipated to remain below trend in the near term due to fiscal tightening and still-elevated interest rates. The Federal Reserve lowered the federal funds rate in the first half of fiscal year 2025, following rate cuts at the end of calendar year 2024. The Fed cited progress in bringing inflation closer to its 2% target as the primary reason for these reductions. However, at the start of calendar year 2025, the Federal Reserve chose to hold the federal funds rate steady at a range of 4.25% to 4.5%, citing a stronger labor market and persistent inflation as key factors for pausing further rate cuts.

*New Mexico Economy*

New Mexico's economy experienced growth in fiscal year 2024, with real gross domestic product (GDP) expanding by 4.6% year over year. Wages and salaries in the state increased by 6.9%, while total personal income grew by 3.9%. During the same period, employment in New Mexico rose by 1.1%, adding approximately 10,100 jobs.

**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

In fiscal year 2024, job growth was driven by several key sectors: Other Services (1,800 jobs), Manufacturing (1,000 jobs), State Government (2,100 jobs), Professional & Business Services (2,900 jobs), and Leisure & Hospitality (4,200 jobs).

Oil prices in fiscal year 2024 were slightly lower than in fiscal year 2023; however, this decline was offset by continued record levels of oil production. As the Permian Basin matures, oil production is expected to moderate. Meanwhile, natural gas prices remained low throughout fiscal year 2024. The average New Mexico prices for crude oil and natural gas were \$78.73 per barrel and \$3.18 per mcf, respectively.

*General Fund Revenue and Reserve Outlook*

According to the December 2024 consensus revenue estimate, fiscal year 2024 recurring revenues increased by 12.5% compared to fiscal year 2023, bringing total revenues to \$13.04 billion. This growth is primarily driven by increases in oil and natural gas revenue, as well as interest earnings. While underlying sales and income revenues are growing, legislative adjustments have impacted income revenue trends. The latest consensus forecast shows that sales revenue grew slightly by 2.1% compared to fiscal year 2023, while income revenue declined by 4.5%.

For fiscal year 2024, ending reserves decreased from \$3.98 billion to \$3.03 billion, representing 31.7% of recurring appropriations (including 2024 legislative actions). This decline is largely due to the enactment of Senate Bill 159, which created the Higher Education Trust Fund through a \$959 million transfer from the Tax Stabilization Reserve.

In fiscal year 2025, non-oil and natural gas-related revenue is projected to grow moderately at 3%. General sales tax revenue is forecasted to grow by 3.9%, while income revenue is expected to decline slightly by 2.7%. However, this decline does not reflect underlying economic growth; rather, it is a result of legislative adjustments that impact income revenue projections. Oil and natural gas-related revenue, including severance and federal mineral leasing revenue, is expected to remain relatively flat. This is due to Senate Bill 26 (2023), which caps growth in oil and gas emergency school tax revenue and federal mineral leasing revenue to the general fund at fiscal year 2023 levels. Instead, Senate Bill 23 directs the additional revenue that would have flowed to the general fund into the Severance Tax Permanent Fund.

Lastly, total interest revenue, including distributions from the Land Grant Permanent Fund and the Severance Tax Permanent Fund—is estimated to grow by 11.3%, or \$112.7 million, in fiscal year 2025. Interest revenue is expected to continue increasing, becoming a more significant contributor to the general fund. Fiscal year 2025 ending reserves are projected to reach \$3.9 billion, or 38.4% of recurring appropriations, though this estimate is subject to changes based on 2025 legislative actions.

The U.S. and New Mexico economies are expected to experience moderate growth; however, several risks could impact this outlook. Notably, the Federal Reserve has paused the federal funds rate at a range of 4.25% to 4.5%, citing a strong labor market and persistent inflation as key reasons for halting further rate cuts. Additionally, potential risks include changes in crude oil production by OPEC+, volatility in government spending, and uncertainties surrounding federal interest rate decisions, trade tariffs, and shifts in immigration enforcement policies.

**STATE OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**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, 2024**  
**(IN THOUSANDS)**

|  | Primary Government         |                             |              |                    |
|--|----------------------------|-----------------------------|--------------|--------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total        | Component<br>Units |
| <b>ASSETS</b>                                    |                            |                             |              |                    |
| Current Assets:                                  |                            |                             |              |                    |
| Cash and Cash Equivalents                        | \$ 5,637,779               | \$ 1,183,476                | \$ 6,821,255 | \$ 293,631         |
| Cash and Cash Equivalents - Restricted           | 765                        | 48,433                      | 49,198       | 517,279            |
| Investment in State General Fund Investment Pool | 14,373,984                 | 245,603                     | 14,619,587   | -                  |
| Investment in Local Government Investment Pool   | -                          | 85,229                      | 85,229       | 31,156             |
| Internal Balances                                | 119,335                    | (119,335)                   | -            | -                  |
| Due from Component Units                         | 9,422                      | 12,657                      | 22,079       | -                  |
| Due from Primary Government                      | -                          | -                           | -            | 43,427             |
| Receivables, Net                                 | 6,184,530                  | 737,909                     | 6,922,439    | 240,850            |
| Investments                                      | 47,097,108                 | 551,979                     | 47,649,087   | 100,745            |
| Prepaid Expenses                                 | -                          | -                           | -            | 1,754              |
| Inventories                                      | 42,401                     | 38,128                      | 80,529       | 443                |
| Other Current Assets                             | 6,575                      | 215,893                     | 222,468      | 8,507              |
| Total Current Assets                             | 73,471,899                 | 2,999,972                   | 76,471,871   | 1,237,792          |
| Noncurrent Assets:                               |                            |                             |              |                    |
| Unrestricted Cash and Cash Equivalents           | -                          | 94,442                      | 94,442       | -                  |
| Restricted Cash and Cash Equivalents             | -                          | 118,540                     | 118,540      | 163,517            |
| Restricted Investments                           | -                          | 140,475                     | 140,475      | 882,028            |
| Loans Receivable, Net                            | -                          | 308,636                     | 308,636      | 2,107,766          |
| Receivables, Net                                 | 2,017                      | -                           | 2,017        | -                  |
| Due from Component Units                         | -                          | 206,129                     | 206,129      | -                  |
| Investments                                      | -                          | 744,793                     | 744,793      | 2,445,818          |
| Net Pension Assets                               | 28,176                     | -                           | 28,176       | -                  |
| Other Noncurrent Assets                          | -                          | 29,665                      | 29,665       | 321,311            |
| Nondepreciable Capital Assets                    | 2,152,272                  | 852,898                     | 3,005,170    | 88,226             |
| Other Capital Assets, Net                        | 6,652,021                  | 2,548,203                   | 9,200,224    | 296,286            |
| Total Noncurrent Assets                          | 8,834,486                  | 5,043,781                   | 13,878,267   | 6,304,952          |
| Total Assets                                     | 82,306,385                 | 8,043,753                   | 90,350,138   | 7,542,744          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |                            |                             |              |                    |
| Deferred Outflows - Other                        | -                          | -                           | -            | 1,024              |
| Interest Rate Swaps                              | -                          | 510                         | 510          | -                  |
| Deferred Charge on Refunding                     | 15,903                     | 7,591                       | 23,494       | -                  |
| Deferred Outflows - OPEB                         | 125,390                    | 104,871                     | 230,261      | 42,903             |
| Deferred Outflows - Pension                      | 669,135                    | 281,654                     | 950,789      | 99,839             |
| Total Deferred Outflows of Resources             | 810,428                    | 394,626                     | 1,205,054    | 143,766            |

See accompanying Notes to Financial Statements.



**STATE OF NEW MEXICO**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Primary Government |               |               | Component    |
|--|--------------------|---------------|---------------|--------------|
|  | Governmental       | Business-Type | Total         | Units        |
|  | Activities         | Activities    |               |              |
| <b>LIABILITIES</b>                                   |                    |               |               |              |
| Current Liabilities:                                 |                    |               |               |              |
| Accounts Payable                                     | \$ 2,648,505       | \$ 122,143    | \$ 2,770,648  | \$ 29,963    |
| Accrued Liabilities                                  | 52,552             | 54,239        | 106,791       | 27,706       |
| Accrued Interest                                     | 33,492             | -             | 33,492        | -            |
| Unearned Revenue                                     | 528,387            | 157,892       | 686,279       | 2,372        |
| Due to Primary Government                            | -                  | -             | -             | 22,085       |
| Due to Component Units                               | 43,427             | -             | 43,427        | -            |
| Intergovernmental Payables                           | 469,495            | 546           | 470,041       | -            |
| Other Obligations                                    | 1,738,389          | -             | 1,738,389     | -            |
| Funds Held for Others                                | 929,597            | 9,593         | 939,190       | 12,421       |
| Other Liabilities                                    | 3                  | 232,960       | 232,963       | 548,283      |
| Bonds Payable - Current Portion                      | 418,984            | 51,199        | 470,183       | 207,847      |
| Other Long-Term Liabilities, Current Portion         | 396,971            | 177,923       | 574,894       | 90,595       |
| Total Current Liabilities                            | 7,259,802          | 806,495       | 8,066,297     | 941,272      |
| Noncurrent Liabilities:                              |                    |               |               |              |
| Bonds Payable, Net of Current Portion                | 2,100,872          | 596,303       | 2,697,175     | 3,564,875    |
| Due to Primary Government                            | -                  | -             | -             | 206,123      |
| Due to Component Units                               | -                  | -             | -             | -            |
| Net Pension Liability                                | 4,177,698          | 2,313,867     | 6,491,565     | 329,820      |
| Net OPEB Liability                                   | 399,639            | 366,503       | 766,142       | 43,829       |
| Other Liabilities, Net of Current Portion            | 862,204            | 570,913       | 1,433,117     | 139,059      |
| Total Noncurrent Liabilities                         | 7,540,413          | 3,847,586     | 11,387,999    | 4,283,706    |
| Total Liabilities                                    | 14,800,215         | 4,654,081     | 19,454,296    | 5,224,978    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                    |               |               |              |
| Deferred Inflows - Pension                           | 104,524            | 447,233       | 551,757       | 62,011       |
| Deferred Inflows - OPEB                              | 462,212            | 136,286       | 598,498       | 53,179       |
| Deferred Inflows - Leases                            | 290,494            | 115,337       | 405,831       | 165          |
| Deferred Inflows - Other                             | 7                  | 11,394        | 11,401        | 26,404       |
| Total Deferred Inflows of Resources                  | 857,237            | 710,250       | 1,567,487     | 141,759      |
| <b>NET POSITION</b>                                  |                    |               |               |              |
| Net Investment in Capital Assets                     | 7,590,996          | 2,396,173     | 9,987,169     | 110,315      |
| Restricted for:                                      |                    |               |               |              |
| Nonexpendable:                                       |                    |               |               |              |
| Financial Aid  | -                  | 217,646       | 217,646       | -            |
| Endowment  | 2,000              | 181,015       | 183,015       | -            |
| Other Purposes                                       | 64,075             | 13,924        | 77,999        | 1,822,615    |
| Expendable:  |                    |               |               |              |
| Education  | -                  | 7,918         | 7,918         | -            |
| Debt Service   | 1,047,916          | 52,037        | 1,099,953     | 317,328      |
| Capital Projects                                     | 5,008,094          | 123,935       | 5,132,029     | -            |
| Scholarships   | -                  | 75,549        | 75,549        | -            |
| Unemployment and Insurance                           | -                  | 585,668       | 585,668       | -            |
| Loan Programs  | -                  | 472,231       | 472,231       | -            |
| Land Grant Perm Fund - SIC                           | 32,093,101         | -             | 32,093,101    | -            |
| Severance Tax Perm Fund - SIC                        | 9,746,944          | -             | 9,746,944     | -            |
| Tax Stabilization (Public Peace, Health, and Safety) | 3,050,438          | -             | 3,050,438     | -            |
| Equity Childhood Education and Care                  | 6,802,776          | -             | 6,802,776     | -            |
| Other Purposes                                       | 5,799,954          | 85,025        | 5,884,979     | 86,384       |
| Unrestricted (Deficit)                               | (3,746,933)        | (1,137,073)   | (4,884,006)   | (16,869)     |
| Total Net Position                                   | \$ 67,459,361      | \$ 3,074,048  | \$ 70,533,409 | \$ 2,319,773 |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

| Functions/Programs                               | Program Revenues |                      |                                    |                                  | Net Revenue (Expense) 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          |                 |
| <b>Primary Government:</b>                       |                  |                      |                                    |                                  |   |                          |                |                 |
| Governmental Activities:                         |                  |                      |                                    |                                  |   |                          |                |                 |
| General Control                                  | \$ 2,322,896     | \$ 3,340,947         | \$ 218,239                         | \$ 13                            | \$ 1,236,303                                      | \$ -                     | \$ 1,236,303   | \$ -            |
| Culture, Recreation, and Natural Resources       | 731,495          | 2,592,067            | 72,451                             | 20,861                           | 1,953,884   | -                        | 1,953,884      | -               |
| Highway and Transportation                       | 1,099,613        | 117,607              | 13,649                             | 562,255                          | (406,102)   | -                        | (406,102)      | -               |
| Judicial   | 429,703          | 16,653               | 3,590                              | 141                              | (409,319)   | -                        | (409,319)      | -               |
| Legislative                                      | 38,748           | -                    | -                                  | -                                | (38,748)  | -                        | (38,748)       | -               |
| Public Safety                                    | 912,554          | 10,159               | 276,317                            | 305                              | (625,773)   | -                        | (625,773)      | -               |
| Regulation and Licensing                         | 332,214          | 59,659               | 28,948                             | -                                | (243,607)   | -                        | (243,607)      | -               |
| Health and Human Services                        | 13,075,258       | 268,446              | 9,418,382                          | -                                | (3,388,430)                                       | -                        | (3,388,430)    | -               |
| Education  | 6,044,528        | 10,269               | 1,162,393                          | -                                | (4,871,866)                                       | -                        | (4,871,866)    | -               |
| Interest on Long-Term Debt                       | 72,896           | -                    | -                                  | -                                | (72,896)  | -                        | (72,896)       | -               |
| Total Governmental Activities                    | 25,059,905       | 6,415,807            | 11,193,969                         | 583,575                          | (6,866,554)                                       | -                        | (6,866,554)    | -               |
| Business-Type Activities:                        |                  |                      |                                    |                                  |   |                          |                |                 |
| Educational Institutions                         | 3,954,505        | 2,547,041            | 599,426                            | 30,411                           | -   | (777,627)                | (777,627)      | -               |
| Public Schools Insurance                         | 530,541          | 484,978              | -                                  | -                                | -   | (45,563)                 | (45,563)       | -               |
| Environmental Loans                              | 1,384            | 8,803                | -                                  | -                                | -   | 7,419                    | 7,419          | -               |
| Miners' Colfax Medical Center                    | 36,736           | 29,654               | -                                  | -                                | -   | (7,082)                  | (7,082)        | -               |
| Unemployment Insurance                           | 223,018          | 191,876              | -                                  | -                                | -   | (31,142)                 | (31,142)       | -               |
| State Fair - EXPO                                | 17,535           | 13,939               | -                                  | -                                | -   | (3,596)                  | (3,596)        | -               |
| Other Business-type Activities                   | 25,916           | 21,929               | 20,967                             | -                                | -   | 16,980                   | 16,980         | -               |
| Total Business-Type Activities                   | 4,789,635        | 3,298,220            | 620,393                            | 30,411                           | -   | (840,611)                | (840,611)      | -               |
| Total Primary Government                         | \$ 29,849,540    | \$ 9,714,027         | \$ 11,814,362                      | \$ 613,986                       | \$ (6,866,554)                                    | \$ (840,611)             | \$ (7,707,165) | -               |
| <b>Discretely Presented Component Units</b>      |                  |                      |                                    |                                  |   |                          |                |                 |
| Major Component Units                            | \$ 351,194       | \$ 347,360           | \$ 63,944                          | \$ -                             | \$ -  | \$ -                     | \$ -           | 60,110          |
| Nonmajor Component Units                         | 354,130          | 10,201               | 112,558                            | -                                | -   | -                        | -              | (231,371)       |
| Total Component Unit Activities                  | \$ 705,324       | \$ 357,561           | \$ 176,502                         | \$ -                             | -   | -                        | -              | (171,261)       |
| <b>GENERAL REVENUES</b>                          |                  |                      |                                    |                                  |   |                          |                |                 |
| Taxes:   |                  |                      |                                    |                                  |   |                          |                |                 |
| Individual Income                                |                  |                      |                                    |                                  | 2,046,878   | -                        | 2,046,878      | -               |
| Corporate Income                                 |                  |                      |                                    |                                  | 640,784   | -                        | 640,784        | -               |
| Gross Receipts Taxes                             |                  |                      |                                    |                                  | 4,147,401   | -                        | 4,147,401      | -               |
| Business Privilege                               |                  |                      |                                    |                                  | 6,144,466   | -                        | 6,144,466      | -               |
| Other Taxes                                      |                  |                      |                                    |                                  | 122,019   | -                        | 122,019        | -               |
| Payment to the State of New Mexico               |                  |                      |                                    |                                  | -   | -                        | -              | 666,782         |
| Payment from State of New Mexico                 |                  |                      |                                    |                                  | -   | -                        | -              | (98,512)        |
| Investment Income                                |                  |                      |                                    |                                  | 4,490,045   | 79,535                   | 4,569,580      | 257,667         |
| Miscellaneous                                    |                  |                      |                                    |                                  | 811,771   | 339,765                  | 1,151,536      | (41,267)        |
| Transfers, Net                                   |                  |                      |                                    |                                  | (1,499,482)                                       | 1,499,482                | -              | -               |
| Total Net General Revenues and Transfers         |                  |                      |                                    |                                  | 16,903,882  | 1,918,782                | 18,822,664     | 784,670         |
| <b>CHANGES IN NET POSITION</b>                   |                  |                      |                                    |                                  | 10,037,328  | 1,078,171                | 11,115,499     | 613,409         |
| Net Position - Beginning, as Originally Reported |                  |                      |                                    |                                  | 57,422,033  | 1,934,108                | 59,356,141     | 1,706,364       |
| Restatement (See Note 9)                         |                  |                      |                                    |                                  | -   | 61,769                   | 61,769         | -               |
| Net Position - Beginning, as Restated            |                  |                      |                                    |                                  | 57,422,033  | 1,995,877                | 59,417,910     | 1,706,364       |
| <b>NET POSITION - ENDING</b>                     |                  |                      |                                    |                                  | \$ 67,459,361                                     | \$ 3,074,048             | \$ 70,533,409  | \$ 2,319,773    |

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, 2024  
(IN THOUSANDS)**

|  | General<br>Fund      | Severance Tax<br>Fund | Land Grant<br>Fund   |
|--|----------------------|-----------------------|----------------------|
| <b>ASSETS</b>  |                      |                       |                      |
| Cash and Cash Equivalents  | \$ 2,031,038         | \$ 996,232            | \$ 2,595,717         |
| Investment in the State General Fund Investment Pool                     | 7,725,435            | 784                   | 371,345              |
| Due from Other Funds   | 111,114              | 698                   | 390,494              |
| Due from Educational Institutions Fund                                   | 171,957              | -                     | -                    |
| Due from Component Units   | 6,279                | 3,143                 | -                    |
| Receivables, Net   | 5,135,796            | 219,063               | 771,653              |
| Investments  | 9,421,691            | 8,784,682             | 28,861,818           |
| Inventories  | 42,401               | -                     | -                    |
| Other Assets   | 6,570                | -                     | -                    |
|  | <u>24,652,281</u>    | <u>10,004,602</u>     | <u>32,991,027</u>    |
| Total Assets   | <u>\$ 24,652,281</u> | <u>\$ 10,004,602</u>  | <u>\$ 32,991,027</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                      |                       |                      |
| <b>LIABILITIES</b>   |                      |                       |                      |
| Accounts Payable   | \$ 1,309,897         | \$ 257,656            | \$ 897,927           |
| Accrued Liabilities  | 51,893               | -                     | -                    |
| Due to Other Funds   | 821,653              | -                     | -                    |
| Due to Educational Institutions Fund                                     | 30,613               | -                     | -                    |
| Due to Component Units   | 29,346               | -                     | -                    |
| Intergovernmental Payables   | 373,269              | -                     | -                    |
| Funds Held For Others  | 929,595              | -                     | -                    |
| Other Obligations  | 1,734,171            | -                     | 1                    |
| Unearned Revenue   | 375,171              | -                     | -                    |
| Total Liabilities  | <u>5,655,608</u>     | <u>257,656</u>        | <u>897,928</u>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                      |                       |                      |
| Leases   | 290,433              | -                     | -                    |
| Unavailable Revenues   | 501,981              | -                     | -                    |
| Total Deferred Inflows of Resources                                      | <u>792,414</u>       | <u>-</u>              | <u>-</u>             |
| <b>FUND BALANCES</b>   |                      |                       |                      |
| Nonspendable   | 64,075               | -                     | -                    |
| Restricted   | 17,308,336           | 9,746,944             | 32,093,101           |
| Committed  | 219,306              | -                     | -                    |
| Assigned   | 169,007              | -                     | -                    |
| Unassigned (Deficit)   | 443,535              | 2                     | (2)                  |
| Total Fund Balances  | <u>18,204,259</u>    | <u>9,746,946</u>      | <u>32,093,099</u>    |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances   | <u>\$ 24,652,281</u> | <u>\$ 10,004,602</u>  | <u>\$ 32,991,027</u> |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2024  
(IN THOUSANDS)**

|  | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------------|--------------------------------|
| <b>ASSETS</b>  |                                   |                                |
| Cash and Cash Equivalents  | \$ 15,557                         | \$ 5,638,544                   |
| Investment in the State General Fund Investment Pool                     | 6,089,301                         | 14,186,865                     |
| Due from Other Funds   | 331,394                           | 833,700                        |
| Due from Educational Institutions Fund                                   | -                                 | 171,957                        |
| Due from Component Units   | -                                 | 9,422                          |
| Receivables, Net   | 21,417                            | 6,147,929                      |
| Investments  | 28,917                            | 47,097,108                     |
| Inventories  | -                                 | 42,401                         |
| Other Assets   | -                                 | 6,570                          |
|  | <hr/>                             | <hr/>                          |
| Total Assets   | <u>\$ 6,486,586</u>               | <u>\$ 74,134,496</u>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                                   |                                |
| <b>LIABILITIES</b>   |                                   |                                |
| Accounts Payable   | \$ 134,274                        | \$ 2,599,754                   |
| Accrued Liabilities  | 102                               | 51,995                         |
| Due to Other Funds   | 1,453                             | 823,106                        |
| Due to Educational Institutions Fund                                     | 32,603                            | 63,216                         |
| Due to Component Units   | 14,081                            | 43,427                         |
| Intergovernmental Payables   | 96,191                            | 469,460                        |
| Funds Held For Others  | 3                                 | 929,598                        |
| Other Obligations  | 4,217                             | 1,738,389                      |
| Unearned Revenue   | 153,146                           | 528,317                        |
| Total Liabilities  | <hr/> 436,070                     | <hr/> 7,247,262                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                                   |                                |
| Leases   | 61                                | 290,494                        |
| Unavailable Revenues   | 43                                | 502,024                        |
| Total Deferred Inflows of Resources                                      | <hr/> 104                         | <hr/> 792,518                  |
| <b>FUND BALANCES</b>   |                                   |                                |
| Nonspendable   | 2,000                             | 66,075                         |
| Restricted   | 6,062,447                         | 65,210,828                     |
| Committed  | 2,520                             | 221,826                        |
| Assigned   | -                                 | 169,007                        |
| Unassigned (Deficit)   | (16,555)                          | 426,980                        |
| Total Fund Balances  | <hr/> 6,050,412                   | <hr/> 66,094,716               |
|  | <hr/>                             | <hr/>                          |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances   | <u>\$ 6,486,586</u>               | <u>\$ 74,134,496</u>           |

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, 2024  
(IN THOUSANDS)**

**Total Fund Balances - Governmental Funds** **\$ 66,094,716**

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 \$23,636 ISF)  | \$ 2,128,636       |           |
| Buildings, Equipment, Infrastructure, and Other Depreciable Assets<br>(Not Including \$262,637 in Internal Service Fund Balances) | 14,482,132         |           |
| Accumulated Depreciation (Less \$170,404 ISF)   | <u>(7,922,344)</u> | 8,688,424 |

|   |         |
|---|---------|
| 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. | 502,017 |
|---|---------|

|  |        |
|--|--------|
| The deferred charge on bond refunding issues is not recognized in the governmental funds, but is recognized in the government-wide statements. | 15,903 |
|--|--------|

|   |        |
|---|--------|
| 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. | 28,176 |
|---|--------|

|   |                             |         |
|---|-----------------------------|---------|
| 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.<br>(Less \$11,154 and \$8,132 for ISF) | 783,371<br><u>(558,604)</u> | 224,767 |
|---|-----------------------------|---------|

|   |           |
|---|-----------|
| 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. | (263,389) |
|---|-----------|

|  |          |
|--|----------|
| Accrued interest payable is not recognized in the governmental funds statements. | (33,492) |
|--|----------|

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 \$59,173)  | (4,118,525)      |                    |
| Net OPEB Liability (Less ISF \$5,913)  | (393,726)        |                    |
| Bonds Payable, Including Bond Premiums Net of Amortization   | (2,519,856)      |                    |
| Lease and SBITA Liabilities Not Recognized in Governmental Funds (Less ISF \$13,863)                     | (545,003)        |                    |
| Compensated Absences, Notes Payable, Contingent Liabilities, and Other Liabilities<br>(Less \$1,635 ISF) | <u>(220,651)</u> | <u>(7,797,761)</u> |

|   |                             |
|---|-----------------------------|
| <b>Total Net Position - Governmental Activities</b> | <b><u>\$ 67,459,361</u></b> |
|---|-----------------------------|

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | General<br>Fund      | Severance Tax<br>Fund | Land Grant<br>Fund   |
|--|----------------------|-----------------------|----------------------|
| <b>REVENUES</b>                            |                      |                       |                      |
| Taxes:                                     |                      |                       |                      |
| General and Selective Taxes                | \$ 8,024,146         | \$ -                  | \$ -                 |
| Income Taxes                               | 2,820,364            | -                     | -                    |
| Total Taxes                                | 10,844,510           | -                     | -                    |
| Other Revenues:                            |                      |                       |                      |
| Federal Revenue                            | 11,691,941           | -                     | -                    |
| Investment Income                          | 1,163,349            | 669,389               | 2,469,276            |
| Rentals and Royalties                      | 5,353,926            | -                     | -                    |
| Charges for Services                       | 218,088              | -                     | -                    |
| Licenses, Fees, and Permits                | 417,201              | -                     | -                    |
| Assessments                                | 55,507               | -                     | -                    |
| Miscellaneous and Other                    | 785,747              | -                     | 137                  |
| Total Revenues                             | 30,530,269           | 669,389               | 2,469,413            |
| <b>EXPENDITURES</b>                        |                      |                       |                      |
| Current:                                   |                      |                       |                      |
| Culture, Recreation, and Natural Resources | 688,366              | -                     | -                    |
| Education                                  | 5,915,371            | -                     | -                    |
| General Control                            | 1,027,972            | -                     | -                    |
| Health and Human Services                  | 13,005,084           | -                     | -                    |
| Highway and Transportation                 | 649,956              | -                     | -                    |
| Judicial                                   | 434,121              | -                     | -                    |
| Legislative                                | 38,180               | -                     | -                    |
| Public Safety                              | 912,657              | -                     | -                    |
| Regulation and Licensing                   | 325,879              | -                     | -                    |
| Capital Outlay                             | 691,192              | -                     | -                    |
| Debt Service:                              |                      |                       |                      |
| Principal                                  | 217,160              | -                     | -                    |
| Interest and Other Charges                 | 49,326               | -                     | -                    |
| Total Expenditures                         | 23,955,264           | -                     | -                    |
| <b>EXCESS REVENUES OVER (UNDER)</b>        |                      |                       |                      |
| <b>EXPENDITURES</b>                        | 6,575,005            | 669,389               | 2,469,413            |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                      |                       |                      |
| Bonds Issued                               | -                    | -                     | -                    |
| Proceeds from the Sale of Capital Assets   | 4,999                | -                     | -                    |
| Transfers In                               | 5,154,522            | 1,049,718             | 2,350,113            |
| Transfers Out                              | (8,425,039)          | (301,669)             | (1,377,286)          |
| Leases and SIBTAs                          | 89,438               | -                     | -                    |
| Total Other Financing Sources (Uses)       | (3,176,080)          | 748,049               | 972,827              |
| <b>NET CHANGE IN FUND BALANCES</b>         | 3,398,925            | 1,417,438             | 3,442,240            |
| Fund Balance - Beginning                   | 14,805,334           | 8,329,508             | 28,650,859           |
| <b>FUND BALANCES - ENDING</b>              | <u>\$ 18,204,259</u> | <u>\$ 9,746,946</u>   | <u>\$ 32,093,099</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, 2024**  
**(IN THOUSANDS)**

|  | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------------|--------------------------------|
| <b>REVENUES</b>                            |                                   |                                |
| Taxes:                                     |                                   |                                |
| General and Selective Taxes                | \$ 2,248,089                      | \$ 10,272,235                  |
| Income Taxes                               | -                                 | 2,820,364                      |
| Total Taxes                                | 2,248,089                         | 13,092,599                     |
| Other Revenues:                            |                                   |                                |
| Federal Revenue                            | 55,937                            | 11,747,878                     |
| Investment Income                          | 182,495                           | 4,484,509                      |
| Rentals and Royalties                      | 9                                 | 5,353,935                      |
| Charges for Services                       | 5,597                             | 223,685                        |
| Licenses, Fees, and Permits                | 2,324                             | 419,525                        |
| Assessments                                | -                                 | 55,507                         |
| Miscellaneous and Other                    | 12,269                            | 798,153                        |
| Total Revenues                             | 2,506,720                         | 36,175,791                     |
| <b>EXPENDITURES</b>                        |                                   |                                |
| Current:                                   |                                   |                                |
| Culture, Recreation, and Natural Resources | 37,182                            | 725,548                        |
| Education                                  | 130,858                           | 6,046,229                      |
| General Control                            | 250,598                           | 1,278,570                      |
| Health and Human Services                  | 109,497                           | 13,114,581                     |
| Highway and Transportation                 | 163,038                           | 812,994                        |
| Judicial                                   | 2,662                             | 436,783                        |
| Legislative                                | -                                 | 38,180                         |
| Public Safety                              | 1,597                             | 914,254                        |
| Regulation and Licensing                   | 5,927                             | 331,806                        |
| Capital Outlay                             | 267,543                           | 958,735                        |
| Debt Service:                              |                                   |                                |
| Principal                                  | 1,800,141                         | 2,017,301                      |
| Interest and Other Charges                 | 88,161                            | 137,487                        |
| Total Expenditures                         | 2,857,204                         | 26,812,468                     |
| <b>EXCESS REVENUES OVER (UNDER)</b>        |                                   |                                |
| <b>EXPENDITURES</b>                        | (350,484)                         | 9,363,323                      |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                   |                                |
| Bonds Issued                               | 1,505,715                         | 1,505,715                      |
| Proceeds from the Sale of Capital Assets   | -                                 | 4,999                          |
| Transfers In                               | 3,997,772                         | 12,552,125                     |
| Transfers Out                              | (4,031,711)                       | (14,135,705)                   |
| Leases and SIBTAs                          | -                                 | 89,438                         |
| Total Other Financing Sources (Uses)       | 1,471,776                         | 16,572                         |
| <b>NET CHANGE IN FUND BALANCES</b>         | 1,121,292                         | 9,379,895                      |
| Fund Balance - Beginning                   | 4,929,120                         | 56,714,821                     |
| <b>FUND BALANCES - ENDING</b>              | <u>\$ 6,050,412</u>               | <u>\$ 66,094,716</u>           |

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, 2024**  
**(IN THOUSANDS)**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 9,379,895**

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  | \$ 958,735 |         |
| Depreciation/Amortization Expense (Less ISF \$29,645) | (498,486)  |         |
| Excess of Capital Outlay Over Depreciation Expense    |            | 460,249 |

|  |          |
|--|----------|
| 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.) | (16,391) |
|--|----------|

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 | (4,364) |
|---|---------|

|  |          |
|--|----------|
| Net transfer of capital assets to other funds from governmental funds. | (31,232) |
|--|----------|

|   |           |
|---|-----------|
| 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. | (156,865) |
|---|-----------|

Bond proceeds, notes, and 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 lease principal are expenditures in the governmental funds, but reduce liabilities in the statement of net position:

|                                 |             |         |
|---------------------------------|-------------|---------|
| Payment of Bond Principal       | 442,340     |         |
| Sponge Bonds Proceeds           | (1,505,715) |         |
| Sponge Bonds Principal Payments | 1,505,715   | 442,340 |

|   |        |
|---|--------|
| 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. | 65,663 |
|---|--------|

**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, 2024**  
**(IN THOUSANDS)**

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

|   |                |                      |
|---|----------------|----------------------|
| The deferred loss (less deferred gain) on refunding bond issues is capitalized and the amortization is reported in the statement of activities.   | \$ (5,594)     |                      |
|   | <u>180</u>     | \$ (5,414)           |
| Pension expense and OPEB expense of governmental funds is recognized in the statement of activities but not in the fund statements.   | (224,889)      |                      |
|   | <u>138,288</u> | (86,601)             |
| Debt Service payments for lease and SBITA assets  |                | 69,246               |
| 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.                                |                | (89,438)             |
| The statement of activities is presented on the accrual basis, while the fund statements are presented on the "available resources" basis. This adjustment combines the net change of the following balances: |                |                      |
| Accrued Interest on Bonds Payable   | 4,526          |                      |
| Compensated Absences Expense (Less ISF (\$28))  | (9,068)        |                      |
| Pollution Remediation Obligation  | (4,603)        |                      |
| Change in Indian Water Rights Liability   | 23,004         |                      |
| Change in other liabilities   | (29,792)       |                      |
| Other   | <u>26,173</u>  | <u>10,240</u>        |
| Change in Net Position of Governmental Activities   |                | <u>\$ 10,037,328</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, 2024**  
**(IN THOUSANDS)**

|  | Business-Type Activities - Enterprise Funds |                                 |              | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|---------------------------------|--------------|---|
|  | Educational<br>Institutions                 | Nonmajor<br>Enterprise<br>Funds | Total        |   |
| <b>ASSETS</b>  |   |                                 |              |   |
| Current Assets:                                      |   |                                 |              |   |
| Cash and Cash Equivalents                            | \$ 765,350                                  | \$ 418,126                      | \$ 1,183,476 | \$ -  |
| Cash and Cash Equivalents - Restricted               | 48,433                                      | -                               | 48,433       | -   |
| Investment in the State General Fund Investment Pool | -   | 245,603                         | 245,603      | 187,119   |
| Investment in the Local Government Investment Pool   | 6,990                                       | 78,239                          | 85,229       | -   |
| Due from Other Funds                                 | 50,683                                      | 2,346                           | 53,029       | -   |
| Due from Component Unit                              | 12,657                                      | -                               | 12,657       | -   |
| Receivables, Net                                     | 475,410                                     | 262,499                         | 737,909      | 38,587  |
| Investments  | 551,980                                     | (1)                             | 551,979      | -   |
| Inventories  | 37,314                                      | 814                             | 38,128       | -   |
| Other Current Assets                                 | 215,581                                     | 312                             | 215,893      | -   |
| Total Current Assets                                 | 2,164,398                                   | 1,007,938                       | 3,172,336    | 225,706   |
| Noncurrent Assets:                                   |   |                                 |              |   |
| Unrestricted Cash and Cash Equivalents               | 94,442                                      | -                               | 94,442       | -   |
| Restricted Cash and Cash Equivalents                 | 118,540                                     | -                               | 118,540      | -   |
| Loans Receivable                                     | 37,032                                      | 271,604                         | 308,636      | -   |
| Investments  | 701,089                                     | 43,704                          | 744,793      | -   |
| Restricted Investments                               | 140,475                                     | -                               | 140,475      | -   |
| Due from Component Units                             | 206,129                                     | -                               | 206,129      | -   |
| Other Noncurrent Assets                              | 29,665                                      | -                               | 29,665       | -   |
| Nondepreciable Capital Assets                        | 849,463                                     | 3,435                           | 852,898      | 23,636  |
| Capital Assets, Net                                  | 2,492,484                                   | 55,719                          | 2,548,203    | 92,233  |
| Total Noncurrent Assets                              | 4,669,319                                   | 374,462                         | 5,043,781    | 115,869   |
| Total Assets   | 6,833,717                                   | 1,382,400                       | 8,216,117    | 341,575   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |   |                                 |              |   |
| Interest Rate Swaps                                  | 510   | -                               | 510          | -   |
| Deferred Charge on Refunding                         | 7,591                                       | -                               | 7,591        | -   |
| Deferred Outflows - OPEB                             | 103,101                                     | 1,770                           | 104,871      | 1,855   |
| Deferred Outflows - Pension                          | 272,740                                     | 8,914                           | 281,654      | 9,299   |
| Total Deferred Outflows of Resources                 | 383,942                                     | 10,684                          | 394,626      | 11,154  |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Business-Type Activities - Enterprise Funds |                                 |              | Governmental<br>Activities -<br>Internal<br>Service Funds |
|---|---|---------------------------------|--------------|---|
|   | Educational<br>Institutions                 | Nonmajor<br>Enterprise<br>Funds | Total        |   |
| <b>LIABILITIES</b>                                  |   |                                 |              |   |
| Current Liabilities:                                |   |                                 |              |   |
| Accounts Payable                                    | \$ 116,880                                  | \$ 5,263                        | \$ 122,143   | \$ 48,751   |
| Accrued Liabilities                                 | 48,114                                      | 6,125                           | 54,239       | 556   |
| Unearned Revenue                                    | 121,146                                     | 36,746                          | 157,892      | 70  |
| Due to Other Funds                                  | 171,858                                     | 506                             | 172,364      | -   |
| Due to Component Unit                               | -   | -                               | -            | -   |
| Due to Higher Educational Institutions              | -   | -                               | -            | -   |
| Intergovernmental Payables                          | 546   | -                               | 546          | -   |
| Other Obligations                                   | -   | -                               | -            | -   |
| Funds Held for Others                               | 9,079                                       | 514                             | 9,593        | (1)   |
| Other Liabilities                                   | 230,167                                     | 2,793                           | 232,960      | 3   |
| Bonds Payable, Current Portion                      | 50,027                                      | 1,172                           | 51,199       | -   |
| Other Long-Term Liabilities, Current Portion        | 137,133                                     | 40,790                          | 177,923      | 242,652   |
| Total Current Liabilities                           | 884,950                                     | 93,909                          | 978,859      | 292,031   |
| Noncurrent Liabilities:                             |   |                                 |              |   |
| Bonds Payable, Net of Current Portions              | 593,873                                     | 2,430                           | 596,303      | -   |
| Net Pension Liability                               | 2,257,146                                   | 56,721                          | 2,313,867    | 59,173  |
| Net OPEB Liability                                  | 360,858                                     | 5,645                           | 366,503      | 5,913   |
| Other Long-Term Liabilities, Net of Current Portion | 464,649                                     | 106,264                         | 570,913      | 250,869   |
| Total Noncurrent Liabilities                        | 3,676,526                                   | 171,060                         | 3,847,586    | 315,955   |
| Total Liabilities                                   | 4,561,476                                   | 264,969                         | 4,826,445    | 607,986   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |   |                                 |              |   |
| Deferred Inflows - Pension                          | 445,996                                     | 1,237                           | 447,233      | 1,293   |
| Deferred Inflows - OPEB                             | 129,758                                     | 6,528                           | 136,286      | 6,839   |
| Deferred Inflows - Leases                           | 52,899                                      | 62,438                          | 115,337      | -   |
| Deferred Inflows - Other                            | 11,394                                      | -                               | 11,394       | -   |
| Total Deferred Inflows of Resources                 | 640,047                                     | 70,203                          | 710,250      | 8,132   |
| <b>NET POSITION</b>                                 |   |                                 |              |   |
| Net Investment in Capital Assets                    | 2,342,224                                   | 53,949                          | 2,396,173    | 101,985   |
| Restricted:   |   |                                 |              |   |
| Nonexpendable:                                      |   |                                 |              |   |
| Scholarships and Student Loans                      | 217,646                                     | -                               | 217,646      | -   |
| Endowment   | 181,015                                     | -                               | 181,015      | -   |
| Other Purposes                                      | 13,924                                      | -                               | 13,924       | -   |
| Expendable:   |   |                                 |              |   |
| Education   | 7,918                                       | -                               | 7,918        | -   |
| Debt Service  | 52,037                                      | -                               | 52,037       | -   |
| Capital Projects                                    | 123,935                                     | -                               | 123,935      | -   |
| Scholarships  | 75,549                                      | -                               | 75,549       | -   |
| Unemployment and Insurance                          | -   | 585,668                         | 585,668      | -   |
| Loans   | 6,863                                       | 465,368                         | 472,231      | -   |
| Other Purposes                                      | 68,281                                      | 16,744                          | 85,025       | 68,463  |
| Unrestricted (Deficit)                              | (1,073,256)                                 | (63,817)                        | (1,137,073)  | (433,837)   |
| Total Net Position                                  | \$ 2,016,136                                | \$ 1,057,912                    | \$ 3,074,048 | \$ (263,389)  |

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, 2024**  
**(IN THOUSANDS)**

|  | Business-Type Activities - Enterprise Funds |                                 |              | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|---------------------------------|--------------|---|
|  | Educational<br>Institutions                 | Nonmajor<br>Enterprise<br>Funds | Total        |   |
| <b>OPERATING REVENUES</b>  |   |                                 |              |   |
| Charges for Services   | \$ 152,097                                  | \$ 541,957                      | \$ 694,054   | \$ 591,380  |
| Unemployment Insurance   | -   | 178,524                         | 178,524      | -   |
| Federal Revenue  | 599,426                                     | 20,967                          | 620,393      | 55,006  |
| State, Local, and Private Grants and Contracts                             | -   | -                               | -            | -   |
| Loans and Other Income   | -   | 26,724                          | 26,724       | -   |
| Student Tuition and Fees, Net  | 191,240                                     | -                               | 191,240      | -   |
| Patient Services and Clinical Operations                                   | 1,819,035                                   | -                               | 1,819,035    | -   |
| Other Operating Revenues   | 384,669                                     | 3,974                           | 388,643      | -   |
| Total Operating Revenues   | 3,146,467                                   | 772,146                         | 3,918,613    | 646,386   |
| <b>OPERATING EXPENSES</b>  |   |                                 |              |   |
| Benefits, Claims, and Premiums   | 45  | 243,733                         | 243,778      | -   |
| Education and General Administration                                       | 3,373,668                                   | 576,505                         | 3,950,173    | 899,394   |
| Depreciation and Amortization  | 224,745                                     | 4,698                           | 229,443      | 29,645  |
| Other Operating Expenses   | 356,047                                     | 10,194                          | 366,241      | 7,877   |
| Total Operating Expenses   | 3,954,505                                   | 835,130                         | 4,789,635    | 936,916   |
| <b>OPERATING LOSS</b>  | (808,038)                                   | (62,984)                        | (871,022)    | (290,530)   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                                    |   |                                 |              |   |
| Clinical Operations  | -   | -                               | -            | -   |
| Private Grants and Gifts   | 73,801                                      | -                               | 73,801       | -   |
| State Permanent Fund Income  | -   | -                               | -            | -   |
| Government Grants and Contracts  | 12,915                                      | -                               | 12,915       | -   |
| Interest and Investment Income   | 74,093                                      | 5,442                           | 79,535       | 5,536   |
| Interest and Other Expenses on Capital                                     |   |                                 |              |   |
| Interest-Related Debt  | (28,950)                                    | (151)                           | (29,101)     | (184)   |
| Gain (Loss) on Sale of Capital Assets                                      | (1,343)                                     | 84                              | (1,259)      | 453   |
| Other Revenue (Expense)  | 279,405                                     | 4,004                           | 283,409      | 12,530  |
| Total Nonoperating Revenues<br>(Expenses)                                  | 409,921                                     | 9,379                           | 419,300      | 18,335  |
| <b>LOSS BEFORE CAPITAL CONTRIBUTIONS AND<br/>ENDOWMENTS, AND TRANSFERS</b> | (398,117)                                   | (53,605)                        | (451,722)    | (272,195)   |
| <b>CAPITAL CONTRIBUTIONS AND ENDOWMENTS</b>                                |   |                                 |              |   |
| Capital Grants and Gifts   | 23,883                                      | -                               | 23,883       | -   |
| Permanent Fund and Endowment Contributions                                 | 6,528                                       | -                               | 6,528        | -   |
| Total Capital Contributions and Endowments                                 | 30,411                                      | -                               | 30,411       | -   |
| <b>TRANSFERS</b>   |   |                                 |              |   |
| Transfers In   | 1,622,571                                   | 42,010                          | 1,664,581    | 126,070   |
| Transfers Out  | (136,386)                                   | (28,713)                        | (165,099)    | (10,740)  |
| Total Transfers  | 1,486,185                                   | 13,297                          | 1,499,482    | 115,330   |
| <b>CHANGE IN NET POSITION</b>  | 1,118,479                                   | (40,308)                        | 1,078,171    | (156,865)   |
| Net Position - Beginning, as Originally Reported                           | 897,657                                     | 1,036,451                       | 1,934,108    | (106,524)   |
| Restatement (See Note 9)   | -   | 61,769                          | 61,769       | -   |
| Net Position - Beginning, as Restated                                      | 897,657                                     | 1,098,220                       | 1,995,877    | (106,524)   |
| <b>NET POSITION - ENDING</b>   | \$ 2,016,136                                | \$ 1,057,912                    | \$ 3,074,048 | \$ (263,389)  |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|   | <u>Business-Type Activities - Enterprise Funds</u> |  |                  | <u>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</u> |
|---|--|--|------------------|---|
|   | <u>Educational<br/>Institutions</u>                | <u>Nonmajor<br/>Enterprise<br/>Funds</u> | <u>Total</u>     |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |  |  |                  |   |
| Cash Received from:   |  |  |                  |   |
| Fees for Service  | \$ 316,121   | \$ 531,271                               | \$ 847,392       | \$ 580,729  |
| Sale of Products  | 129,669  | 23,485                                   | 153,154          | -   |
| Gifts, Grants, and Contracts  | 834,546  | 23,113                                   | 857,659          | -   |
| Loan and Note Repayments  | -  | 15,465                                   | 15,465           | -   |
| Other Sources   | 1,936,964  | 246,033                                  | 2,182,997        | 60,584  |
| Cash Payments to or for:  |  |  |                  |   |
| Suppliers   | (1,275,285)  | (61,334)                                 | (1,336,619)      | (103,497)   |
| Employees   | (2,638,327)  | (25,570)                                 | (2,663,897)      | (27,095)  |
| Student Loans and Loan Losses                                       | (72,061)   | (479,378)                                | (551,439)        | -   |
| Claims  | -  | (220,414)                                | (220,414)        | (532,701)   |
| Other Payments  | <u>(499,909)</u>                                   | <u>(41,767)</u>                          | <u>(541,676)</u> | <u>-</u>  |
| Net Cash Provided (Used) by Operating<br>Activities                 | (1,268,282)  | 10,904                                   | (1,257,378)      | (21,980)  |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |  |  |                  |   |
| Transfers In  | 1,622,571  | 42,010                                   | 1,664,581        | 97,551  |
| Transfers Out   | (136,386)  | (28,713)                                 | (165,099)        | (10,740)  |
| Gifts for Other Than Capital Purposes                               | 210,978  | -  | 210,978          | -   |
| Intergovernmental Receipts  | 159,169  | -  | 159,169          | -   |
| Other   | <u>(475,282)</u>                                   | <u>4,057</u>                             | <u>(471,225)</u> | <u>4,248</u>  |
| Net Cash Provided by Noncapital<br>Financing Activities             | 1,381,050  | 17,354                                   | 1,398,404        | 91,059  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |  |  |                  |   |
| Acquisition of Capital Assets                                       | (438,068)  | (3,847)                                  | (441,915)        | (15,730)  |
| Capital Debt Service Payments - Principal                           | (62,892)   | (1,146)                                  | (64,038)         | (5,427)   |
| Capital Debt Service Payments - Interest                            | (29,761)   | (225)                                    | (29,986)         | (184)   |
| Capital Contributions and Debt Proceeds                             | 139,357  | -  | 139,357          | -   |
| Proceeds from Sale of Capital Assets                                | 31,046   | 75                                       | 31,121           | 552   |
| Other   | <u>191,100</u>                                     | <u>(148)</u>                             | <u>190,952</u>   | <u>1,307</u>  |
| Net Cash Used by Capital and Related<br>Financing Activities        | (169,218)  | (5,291)                                  | (174,509)        | (19,482)  |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Business-Type Activities - Enterprise Funds |                                 |                       | Governmental<br>Activities -<br>Internal<br>Service Funds |
|---|---|---------------------------------|-----------------------|---|
|   | Educational<br>Institutions                 | Nonmajor<br>Enterprise<br>Funds | Total                 |   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |                                 |                       |   |
| Receipts of Interest and Dividends of Investments   | \$ 402,207                                  | \$ 8,242                        | \$ 410,449            | \$ 12,332   |
| Purchase of Investments   | (380,089)                                   | -                               | (380,089)             | -   |
| Receipts of Rent  | 212   | -                               | 212                   | -   |
| Proceeds from Sale and Maturity of Investments  | 335,412                                     | -                               | 335,412               | -   |
| Net Cash Provided by Investing Activities   | <u>357,742</u>                              | <u>8,242</u>                    | <u>365,984</u>        | <u>12,332</u>   |
| <b>NET INCREASE IN CASH</b>   | 301,292                                     | 31,209                          | 332,501               | 61,929  |
| Cash and Cash Equivalents - Beginning of Year   | <u>725,473</u>                              | <u>632,520</u>                  | <u>1,357,993</u>      | <u>125,190</u>  |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | <u>\$ 1,026,765</u>                         | <u>\$ 663,729</u>               | <u>\$ 1,690,494</u>   | <u>\$ 187,119</u>   |
| <b>CASH AND CASH EQUIVALENTS</b>  |   |                                 |                       |   |
| Unrestricted  | \$ 859,792                                  | \$ 418,126                      | \$ 1,277,918          | \$ -  |
| Restricted  | 166,973                                     | -                               | 166,973               | -   |
| Investment in the State General Fund Investment Pool  | -   | 245,603                         | 245,603               | 187,119   |
| Total Cash and Cash Equivalents   | <u>\$ 1,026,765</u>                         | <u>\$ 663,729</u>               | <u>\$ 1,690,494</u>   | <u>\$ 187,119</u>   |
| <b>RECONCILIATION OF OPERATING LOSS TO<br/>NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |   |                                 |                       |   |
| Operating Loss  | \$ (808,038)                                | \$ (62,984)                     | \$ (871,022)          | \$ (290,530)  |
| Adjustments to Reconcile Operating Loss to Net Cash<br>Provided (Used) by Operating Activities:     |   |                                 |                       |   |
| Depreciation and Amortization   | 224,615                                     | 4,698                           | 229,313               | 29,650  |
| Bad Debt Expense  | 100,152                                     | 1,333                           | 101,485               | -   |
| Realized (Gain) Loss on Disposal of Assets  | (333)                                       | -                               | (333)                 | -   |
| Unrealized (Gain) Loss on Investments   | (3,588)                                     | -                               | (3,588)               | -   |
| Change in Net Pension Liability   | (162,243)                                   | (1,123)                         | (163,366)             | 1,135   |
| Change in Net OPEB Liability  | (1,014)                                     | (2,627)                         | (3,641)               | (2,352)   |
| Change in Deferred Outflows of Resources  | 239,418                                     | 1,743                           | 241,161               | 1,302   |
| Change in Deferred Inflows of Resources   | (626,561)                                   | (1,101)                         | (627,662)             | (733)   |
| Net Changes in Assets and Liabilities Related to<br>Operating Activities:                           |   |                                 |                       |   |
| Short-Term Investments  | (9,978)                                     | -                               | (9,978)               | -   |
| Receivables and Due From Other Funds  | (156,852)                                   | 10,315                          | (146,537)             | (13,231)  |
| Notes and Loans   | (2,926)                                     | -                               | (2,926)               | -   |
| Inventories   | (2,407)                                     | 746                             | (1,661)               | -   |
| Prepaid Items and Other Assets  | (3,491)                                     | 20,692                          | 17,201                | -   |
| Insurance Claims Payable  | -   | -                               | -                     | 242,071   |
| Accounts Payable, Accrued Liabilities, and Due<br>to Other Funds                                    | (71,558)                                    | 40,079                          | (31,479)              | 10,708  |
| Loss Adjustments  | -   | -                               | -                     | -   |
| Unearned Revenue  | 16,522                                      | (867)                           | 15,655                | -   |
| Net Cash Provided (Used) by Operating<br>Activities   | <u>\$ (1,268,282)</u>                       | <u>\$ 10,904</u>                | <u>\$ (1,257,378)</u> | <u>\$ (21,980)</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, 2024**  
**(IN THOUSANDS)**

|  | Pension and<br>Other Empl.<br>Benefit<br>Trust Funds | External<br>Investment<br>Trust<br>Funds | Private-<br>Purpose<br>Trust<br>Funds | Custodial<br>Funds |
|--|--|--|---------------------------------------|--------------------|
| <b>ASSETS</b>                                    |  |  |                                       |                    |
| Cash and Cash Equivalents                        | \$ 1,321,204   | \$ 4,023                                 | \$ 31,162                             | \$ 36,813          |
| Investment in State General Fund Investment Pool | 141,611  | -  | 262,730                               | 22,093             |
| Investment in Local Government Investment Pool   | -  | 81                                       | -                                     | 15,515             |
| Investments:                                     |  |  |                                       |                    |
| Investment Pools at SIC                          | 1,513,202  | -  | -                                     | -                  |
| International Securities                         | 1,945,885  | -  | -                                     | -                  |
| Corporate Equity Securities                      | 11,608,340   | -  | -                                     | -                  |
| Corporate and Municipal Bonds                    | 876,458  | -  | -                                     | -                  |
| Partnerships and Other Investments               | 19,186,229   | -  | -                                     | -                  |
| Securities Lending Collateral Investments        | 565,986  | -  | -                                     | -                  |
| Deferred Compensation Plan Investment            | 840,689  | -  | -                                     | -                  |
| Long-Term Investments                            | -  | 1,889,796                                | 3,002,553                             | -                  |
| Receivables:                                     |  |  |                                       |                    |
| Brokers  | 88,074   | -  | -                                     | -                  |
| Accrued Interest and Other                       | 11,401   | -  | 8                                     | 61                 |
| Other Receivables                                | 207,362  | 9,697                                    | -                                     | 650,818            |
| Other Assets                                     | -  | -  | -                                     | 111                |
| Long-Term Receivables                            | 531  | -  | -                                     | -                  |
| Capital and RUA Assets, Net                      | 25,886   | -  | -                                     | -                  |
| Total Assets                                     | 38,332,858   | 1,903,597                                | 3,296,453                             | 725,411            |
| <b>LIABILITIES</b>                               |  |  |                                       |                    |
| Accounts Payable                                 | 22,577   | -  | 6,570                                 | 2,710              |
| Accrued Liabilities                              | 439  | -  | 1,451                                 | 3                  |
| Due to Brokers                                   | 101,449  | -  | -                                     | -                  |
| Intergovernmental Payables                       | -  | -  | -                                     | 527,390            |
| Unearned Revenue                                 | 275  | -  | 55,806                                | -                  |
| Deposits Held in Trust                           | 3,707  | -  | -                                     | 2,973              |
| Other Liabilities                                | 566,986  | 43,472                                   | 289,430                               | 2,489              |
| Long-Term Liabilities                            | 26,313   | -  | -                                     | -                  |
| Total Liabilities                                | 721,746  | 43,472                                   | 353,257                               | 535,565            |
| <b>NET POSITION</b>                              |  |  |                                       |                    |
| Restricted for:                                  |  |  |                                       |                    |
| Pension Benefits                                 | 35,177,902   | -  | -                                     | -                  |
| Other Postemployment Benefits                    | 1,581,965  | -  | -                                     | -                  |
| Defined Contribution                             | 851,245  | -  | -                                     | -                  |
| External Investment Pool Participants            | -  | 1,860,125                                | -                                     | -                  |
| Other Purposes                                   | -  | -  | 2,943,196                             | 189,846            |
| Total Net Position                               | \$ 37,611,112  | \$ 1,860,125                             | \$ 2,943,196                          | \$ 189,846         |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Pension and<br>Other Empl.<br>Benefit<br>Trust Funds | External<br>Investment<br>Trust<br>Funds | Private<br>Purpose<br>Trust<br>Funds | Custodial<br>Funds |
|--|--|--|--------------------------------------|--------------------|
| <b>ADDITIONS</b>                         |  |  |                                      |                    |
| Contributions:                           |  |  |                                      |                    |
| Employee Contributions                   | \$ 1,096,774   | \$ -                                     | \$ -                                 | \$ -               |
| Employer Contributions                   | 1,490,473  | -  | -                                    | -                  |
| Member Contributions                     | -  | -  | 352,001                              | 203,276            |
| Other                                    | 3,754  | -  | -                                    | -                  |
| Total Contributions                      | <u>2,591,001</u>                                     | <u>-</u>                                 | <u>352,001</u>                       | <u>203,276</u>     |
| Pool Participant Deposits                | -  | 897,789                                  | -                                    | -                  |
| Investment Income (Loss):                |  |  |                                      |                    |
| Net Increase (Decrease) in Fair Value of |  |  |                                      |                    |
| Investments                              | 441,967  | 185,279                                  | 158,710                              | -                  |
| Interest and Dividends                   | 3,196,844  | (125,133)                                | 61,173                               | 679                |
| Subtotal                                 | <u>3,638,811</u>                                     | <u>60,146</u>                            | <u>219,883</u>                       | <u>679</u>         |
| Less: Investment Expense                 | 581,915  | -  | 2,267                                | -                  |
| Net Investment Income                    | <u>3,056,896</u>                                     | <u>60,146</u>                            | <u>217,616</u>                       | <u>679</u>         |
| Other Additions:                         |  |  |                                      |                    |
| Taxes from Other Governments             | -  | -  | -                                    | 2,774,949          |
| Other Operating Revenues                 | 95,636   | -  | 144,908                              | 13,953             |
| Total Other Additions                    | <u>95,636</u>  | <u>-</u>                                 | <u>144,908</u>                       | <u>2,788,902</u>   |
| Total Additions                          | 5,743,533  | 957,935                                  | 714,525                              | 2,992,857          |
| <b>DEDUCTIONS</b>                        |  |  |                                      |                    |
| Benefits and Claims                      | 2,916,624  | -  | -                                    | 227,655            |
| Distributions                            | -  | 662,251                                  | 464,771                              | -                  |
| Refunds                                  | 120,352  | -  | -                                    | -                  |
| Debt Service for Other Governments       | -  | -  | -                                    | 7,932              |
| General and Administrative Expenses      | 364,384  | 870                                      | 103,258                              | 2,777,658          |
| Other Operating Expenses                 | 5,658  | -  | -                                    | 1,010              |
| Total Deductions                         | <u>3,407,018</u>                                     | <u>663,121</u>                           | <u>568,029</u>                       | <u>3,014,255</u>   |
| <b>CHANGE IN NET POSITION</b>            | 2,336,515  | 294,814                                  | 146,496                              | (21,398)           |
| Net Position - Beginning                 | <u>35,274,597</u>                                    | <u>1,565,311</u>                         | <u>2,796,700</u>                     | <u>211,244</u>     |
| <b>NET POSITION - ENDING</b>             | <u>\$ 37,611,112</u>                                 | <u>\$ 1,860,125</u>                      | <u>\$ 2,943,196</u>                  | <u>\$ 189,846</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, 2024. 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, 2024**  
**(IN THOUSANDS)**

|   | New Mexico<br>Finance<br>Authority | New Mexico<br>Mortgage<br>Finance<br>Authority | New Mexico<br>Lottery<br>Authority | University of<br>New Mexico<br>Foundation | New Mexico<br>State<br>University<br>Foundation | Nonmajor<br>Component<br>Units | Total      |
|---|------------------------------------|--|------------------------------------|---|---|--------------------------------|------------|
| <b>ASSETS</b>                                     |                                    |  |                                    |   |   |                                |            |
| Current Assets:                                   |                                    |  |                                    |   |   |                                |            |
| Cash and Cash Equivalents                         | \$ 13,565                          | \$ 102,976                                     | \$ 14,484                          | \$ 15,342                                 | \$ 5,190  | \$ 142,074                     | \$ 293,631 |
| Investment in Local Government<br>Investment Pool | -                                  | -  | -                                  | -   | -   | 31,156                         | 31,156     |
| Restricted Cash and Cash Equivalents              | 444,959                            | 52,607   | -                                  | -   | 2,072   | 17,641                         | 517,279    |
| Investments                                       | -                                  | -  | -                                  | -   | 34,538  | 66,207                         | 100,745    |
| Due from Primary Government                       | 23,149                             | 4,981  | -                                  | -   | -   | 15,297                         | 43,427     |
| Receivables, Net                                  | 17,154                             | 8,008  | 1,229                              | 1,766                                     | 18,424  | 9,884                          | 56,465     |
| Loans Receivable, Current                         | 184,385                            | -  | -                                  | -   | -   | -                              | 184,385    |
| Prepaid Expenses                                  | -                                  | -  | 388                                | -   | 479   | 887                            | 1,754      |
| Other Assets                                      | -                                  | 3,727  | 3,214                              | 1,538                                     | -   | 28                             | 8,507      |
| Inventory   | -                                  | -  | 16                                 | -   | -   | 427                            | 443        |
| Total Current Assets                              | 683,212                            | 172,299  | 19,331                             | 18,646                                    | 60,703  | 283,601                        | 1,237,792  |
| Noncurrent Assets:                                |                                    |  |                                    |   |   |                                |            |
| Restricted Cash and Cash Equivalents              | -                                  | 143,061  | -                                  | -   | 4,591   | 15,865                         | 163,517    |
| Restricted Investments                            | 753,973                            | 29,619   | -                                  | -   | 88,674  | 9,762                          | 882,028    |
| Loans Receivable, Net                             | 1,805,792                          | 204,780  | -                                  | -   | -   | 97,194                         | 2,107,766  |
| Investments                                       | 12,902                             | 1,782,188                                      | -                                  | 476,620                                   | -   | 174,108                        | 2,445,818  |
| Other Noncurrent Assets                           | -                                  | 5,754  | -                                  | 24,958                                    | 268,883   | 21,716                         | 321,311    |
| Nondepreciable Capital Assets                     | 428                                | 23,239   | 744                                | -   | -   | 63,815                         | 88,226     |
| Other Capital Assets, Net                         | 7,915                              | 16,041   | 2,657                              | 132                                       | 218   | 269,323                        | 296,286    |
| Total Noncurrent Assets                           | 2,581,010                          | 2,204,682                                      | 3,401                              | 501,710                                   | 362,366   | 651,783                        | 6,304,952  |
| Total Assets                                      | 3,264,222                          | 2,376,981                                      | 22,732                             | 520,356                                   | 423,069   | 935,384                        | 7,542,744  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                                    |  |                                    |   |   |                                |            |
| Deferred Charge on Refunding                      | 494                                | 124  | -                                  | -   | -   | 406                            | 1,024      |
| Deferred Outflows - OPEB                          | -                                  | -  | -                                  | -   | -   | 42,903                         | 42,903     |
| Deferred Outflows - Pension                       | -                                  | -  | -                                  | -   | -   | 99,839                         | 99,839     |
| Total Deferred Outflows of Resources              | 494                                | 124  | -                                  | -   | -   | 143,148                        | 143,766    |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | New Mexico<br>Finance<br>Authority | New Mexico<br>Mortgage<br>Finance<br>Authority | New Mexico<br>Lottery<br>Authority | University of<br>New Mexico<br>Foundation | New Mexico<br>State<br>University<br>Foundation | Nonmajor<br>Component<br>Units | Total        |
|--|------------------------------------|--|------------------------------------|---|---|--------------------------------|--------------|
| <b>LIABILITIES</b>                             |                                    |  |                                    |   |   |                                |              |
| Current Liabilities:                           |                                    |  |                                    |   |   |                                |              |
| Accounts Payable                               | \$ 952                             | \$ 18,711                                      | \$ 1,888                           | \$ 1,986                                  | \$ 157  | \$ 6,269                       | \$ 29,963    |
| Accrued Liabilities                            | 229                                | 10,211   | -                                  | -   | 625   | 16,641                         | 27,706       |
| Unearned Revenue                               | -                                  | -  | -                                  | -   | 34  | 2,338                          | 2,372        |
| Due to Primary Government                      | 2,815                              | -  | 3,387                              | 7,313                                     | 1,656   | 6,914                          | 22,085       |
| Funds Held for Others                          | -                                  | 9,727  | -                                  | -   | 2,072   | 622                            | 12,421       |
| Other Liabilities                              | 523,952                            | 551  | 10,165                             | 8,257                                     | 1,874   | 3,484                          | 548,283      |
| Bonds Payable                                  | 142,110                            | 42,639   | -                                  | -   | -   | 23,098                         | 207,847      |
| Current Portion of Other Long-Term Liabilities | 22,693                             | 58,527   | 221                                | -   | -   | 9,154                          | 90,595       |
| Total Current Liabilities                      | 692,751                            | 140,366  | 15,661                             | 17,556                                    | 6,418   | 68,520                         | 941,272      |
| Noncurrent Liabilities:                        |                                    |  |                                    |   |   |                                |              |
| Bonds Payable                                  | 1,430,182                          | 1,938,066                                      | -                                  | -   | -   | 196,627                        | 3,564,875    |
| Due to Primary Government                      | -                                  | -  | -                                  | 113,552                                   | 88,674  | 3,897                          | 206,123      |
| Net Pension Liability                          | -                                  | -  | -                                  | -   | -   | 329,820                        | 329,820      |
| Net OPEB Liability                             | -                                  | -  | -                                  | -   | -   | 43,829                         | 43,829       |
| Other Long-Term Liabilities                    | 104,438                            | 8,363  | -                                  | -   | -   | 26,258                         | 139,059      |
| Total Noncurrent Liabilities                   | 1,534,620                          | 1,946,429                                      | -                                  | 113,552                                   | 88,674  | 600,431                        | 4,283,706    |
| Total Liabilities                              | 2,227,371                          | 2,086,795                                      | 15,661                             | 131,108                                   | 95,092  | 668,951                        | 5,224,978    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                                    |  |                                    |   |   |                                |              |
| Deferred Inflows - Pension                     | -                                  | -  | -                                  | -   | -   | 62,011                         | 62,011       |
| Deferred Inflows - OPEB                        | -                                  | -  | -                                  | -   | -   | 53,179                         | 53,179       |
| Deferred Inflows - Leases                      | -                                  | -  | -                                  | -   | -   | 165                            | 165          |
| Deferred Inflows - Other                       | 1,403                              | 215  | -                                  | 20,771                                    | -   | 4,015                          | 26,404       |
| Total Deferred Inflows of Resources            | 1,403                              | 215  | -                                  | 20,771                                    | -   | 119,370                        | 141,759      |
| <b>NET POSITION</b>                            |                                    |  |                                    |   |   |                                |              |
| Net Investment in Capital Assets               | 7,800                              | 15,879   | 3,396                              | 132                                       | 218   | 82,890                         | 110,315      |
| Restricted:                                    |                                    |  |                                    |   |   |                                |              |
| Nonexpendable                                  | 999,081                            | -  | -                                  | 331,083                                   | 226,379   | 266,072                        | 1,822,615    |
| Expendable:                                    |                                    |  |                                    |   |   |                                |              |
| Debt Service                                   | -                                  | 287,091  | -                                  | 30,237                                    | -   | -                              | 317,328      |
| Other Purposes                                 | -                                  | -  | -                                  | -   | -   | 86,384                         | 86,384       |
| Unrestricted (Deficit)                         | 29,061                             | (12,875)                                       | 3,675                              | 7,025                                     | 101,380   | (145,135)                      | (16,869)     |
| Total Net Position                             | \$ 1,035,942                       | \$ 290,095                                     | \$ 7,071                           | \$ 368,477                                | \$ 327,977                                      | \$ 290,211                     | \$ 2,319,773 |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | New Mexico<br>Finance<br>Authority | New Mexico<br>Mortgage<br>Finance<br>Authority | New Mexico<br>Lottery<br>Authority | University of<br>New Mexico<br>Foundation | New Mexico<br>State<br>University<br>Foundation | Nonmajor<br>Component<br>Units | Total               |
|--|------------------------------------|--|------------------------------------|---|---|--------------------------------|---------------------|
| <b>REVENUES</b>  |                                    |  |                                    |   |   |                                |                     |
| Program Revenues:  |                                    |  |                                    |   |   |                                |                     |
| Charges for Services                                       | \$ 64,127                          | \$ 104,006                                     | \$ 170,250                         | \$ 8,977                                  | \$ -  | \$ 10,201                      | \$ 357,561          |
| Operating Grants and Contributions                         | 13,091                             | (1,952)  | -                                  | 34,510                                    | 18,295  | 112,558                        | 176,502             |
| Total Revenues   | 77,218                             | 102,054  | 170,250                            | 43,487                                    | 18,295  | 122,759                        | 534,063             |
| <b>EXPENSES</b>  | 82,363                             | 105,603  | 119,201                            | 16,829                                    | 27,198  | 354,130                        | 705,324             |
| <b>INCOME (LOSS) BEFORE OTHER REVENUE<br/>AND EXPENSES</b> | (5,145)                            | (3,549)  | 51,049                             | 26,658                                    | (8,903)   | (231,371)                      | (171,261)           |
| <b>OTHER REVENUES AND EXPENSES</b>                         |                                    |  |                                    |   |   |                                |                     |
| Payment from State of New Mexico                           | 303,239                            | 71,277   | -                                  | -   | -   | 292,266                        | 666,782             |
| Payment to State of New Mexico                             | -                                  | -  | (51,084)                           | (47,298)                                  | -   | (130)                          | (98,512)            |
| Other  | (81,098)                           | -  | -                                  | -   | 5,492   | 34,339                         | (41,267)            |
| Investment Income  | 29,459                             | 101,093  | 38                                 | 64,969                                    | 31,054  | 31,054                         | 257,667             |
| Total Other Revenues and Expenses                          | 251,600                            | 172,370  | (51,046)                           | 17,671                                    | 36,546  | 357,529                        | 784,670             |
| <b>CHANGE IN NET POSITION</b>                              | 246,455                            | 168,821  | 3                                  | 44,329                                    | 27,643  | 126,158                        | 613,409             |
| Net Position - Beginning                                   | 789,487                            | 121,274  | 7,068                              | 324,148                                   | 300,334   | 164,053                        | 1,706,364           |
| <b>NET POSITION - ENDING</b>                               | <u>\$ 1,035,942</u>                | <u>\$ 290,095</u>                              | <u>\$ 7,071</u>                    | <u>\$ 368,477</u>                         | <u>\$ 327,977</u>                               | <u>\$ 290,211</u>              | <u>\$ 2,319,773</u> |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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 expressed 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 10 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, 2024**

**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, 2024**

**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 (IRC). 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Reporting Entity (Continued)**

Blended Component Units (Continued)

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.

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 IRC 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 11 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, 2024**

**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, 2024**

**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 16 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.

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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Fund Financial Statements (Continued)

Major Funds (Continued):

**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:

Major Fund

**Educational Institutions Fund**

The Educational Institutions Fund accounts for the activities of the State's 10 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.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Fund Financial Statements (Continued)

Additionally, the State reports the following fiduciary fund types:

**Pension and Other Employee Benefits Trust Funds**

These funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans and other employee benefit plans. These funds account for the activities of the Public Employees Retirement Association (PERA), Educational Retirement Board (ERB), the Retiree Health Care Authority (RHCA), the Deferred Compensation Plan, and the UNM Retiree Welfare Benefit Trust.

**External Investment Funds**

These funds account for assets held by the government in a trustee capacity. These funds are used to account for cash, securities, and other investments held in custody for external participants in the New Mexico State Treasurer's Local Government Investment Pool and the State Investment Council's Investment Pools.

**Private-Purpose Trust Funds**

These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. These funds include the Scholarship Fund, Higher Education Savings Plan, Bartlett Trust, and 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus and Basis of Accounting (Continued)**

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 leases are reported as other financing sources.

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 units separately issued financial statements.



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgetary Information**

**1. Budgetary Basis of Accounting**

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

Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated. The General Fund presented herein includes the general funds of all state agencies. The largest of these general funds are the component appropriation accounts. These appropriation accounts are part of the Department of Finance and Administration. The State's component appropriation accounts do not adopt an annual appropriated budget; however, the expenditures of the component appropriations by law must equal the individual amounts appropriated in the various appropriation acts. Other activities designated as 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.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgetary Information (Continued)**

**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, 2024, there were none of the State agency's P-code reporting expenses/expenditures exceeding budget authority.

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

**1. Cash and Cash Equivalents**

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

**2. Investments**

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

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Investments (Continued)**

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 60 days or less are valued at amortized cost (which approximates market value).

**3. Investment Pools**

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

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

In addition to the SGFIP pooled cash account, the State Treasurer maintains the Local Government Investment Pool (LGIP). The LGIP also includes the deposits in the Reserve Contingency Fund. Cities, counties, other 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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)**

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, 2024, the LGIP carrying cost approximated the fair value. Participation in the LGIP is voluntary. The external portion of LGIP is reported as a separate investment trust fund. The internal portion, consisting of funds belonging to the State and its component units, has been included in the various funds and component units.

A copy of the New Mexico State Treasurer's audited financial statements can be obtained by writing the New Mexico State Treasurer, P.O. Box 5135, Santa Fe, NM 87505 or online at <https://www.osa.nm.gov/>.

*Public Employees Retirement Association* - The Public Employees Retirement Association created a short-term investment pool (the Pool) to maximize the benefits of the investment diversification and investment earnings. The Judicial, Magistrate, Volunteer Firefighters, and Public Employees Retirement Systems (the 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 (the 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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)**

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

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

**4. Inventories**

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

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

**5. Receivables and Loan Receivables**

Receivables, net of allowance, in the governmental activities, 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.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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**

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 \$5,000 or more when acquired and having an estimated useful life greater than one year. The significant threshold related to aggregate capital asset acquisition for the State is \$200,000. If a similar grouping of capital asset acquisition exceeds this amount in total, at the time of purchase, the acquisition will be capitalized.

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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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)**

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.

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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 30 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 four 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% of the excess over 600 hours, up to a maximum of 120 hours. Upon retirement or other termination, employees are paid 50% of the excess over 600 hours, up to maximum of 400 hours. The total liability of the governmental activities for compensated absences is recorded in the government-wide statement of net position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the Governmental funds financial statements. See additional disclosure in the detailed notes.

**10. Unearned Revenue**

In the government-wide statements, governmental activities/funds, proprietary fund statements, and fiduciary fund statements, unearned revenue is recorded when cash or other assets are received prior to being earned. GASB Statement 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.



**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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**

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

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

**13. Interfund Transactions**

Government-Wide Financial Statements

**Interfund Activity**

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

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Interfund Transactions (Continued)**

Government-Wide Financial Statements (Continued)

**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.

**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.

**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.
- **Restricted net position.** 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.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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)**

Amounts 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.** Amounts consist 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.

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Represents those portions of fund balance where constraints placed on the resources are either externally imposed by outside parties or internally imposed by law through constitutional provision or enabling legislation.
- **Committed fund balance.** Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature, such as an appropriation or legislation. The State Legislature is the highest level of decision-making authority that can, by passage of legislation, commit fund balance that is not already restricted. Once adopted, the limitation remains in place until similar action takes place, usually in the form of a new budget bill or other legislation.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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)**

- **Assigned fund balance.** Amounts 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.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

**H. Revenues and Expenditures/Expenses**

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

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

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

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Revenues and Expenditures/Expenses (Continued)**

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.

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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Revenues and Expenditures/Expenses (Continued)**

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, 2024, the State implemented the following new accounting standards issued by the GASB:

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

This statement provides guidance and clarification when dealing with accounting changes and error corrections.

**K. Future Accounting Standards**

The following pronouncements of the 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. 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Future Accounting Standards (Continued)**

GASB Statement No. 102, *Certain Risk Disclosures*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more-likely-than-not to begin to occur within 12 months of the date the financial statements are issued. Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

**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, 2024**

**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, 2024**

**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% to 102% 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% of the average investment balance.

As of June 30, 2024, collateral pledged to public money deposits was as follows:

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

|   | Fiscal Agent<br>Account |
|---|-------------------------|
| Cash in Bank *  | \$ 2,556,506            |
| Less: FDIC Insurance Coverage                                   | 6,059                   |
| Total Uninsured Public Funds                                    | <u>2,550,447</u>        |
| Collateral Requirement (50% - 102%<br>of Uninsured Public Funds | \$ 1,367,238            |
| Collateral Pledged:   |                         |
| U.S. Government Securities                                      | 157,340                 |
| Surety Bond   | 3,448,062               |
| Collateral Pledged  | <u>3,605,402</u>        |
| Over (Under) Collateralized                                     | <u>\$ 2,238,164</u>     |

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

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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, 2024, the funds held by the State Treasurer in the fiscal agency account were exposed to custodial credit risk as follows:

| Office of the State Treasurer<br>Custodial Credit Risk<br>(Expressed in Thousands) |                             |
|--|-----------------------------|
|  | Balance at<br>June 30, 2024 |
| Cash in Banks  | \$ 255,471                  |
| Less: Deposit of Institutions Which are<br>Fully Insured and Collateralized        | -                           |
| Deposits of Institutions Not Fully<br>Collateralized                               | 255,471                     |
| Less: FDIC Insurance Coverage  | -                           |
| Uninsured Deposits   | <u>255,471</u>              |
| Collateral Pledged:  |                             |
| Surety Bond  | 121,746                     |
| Securities   | 80,000                      |
| Total Collateral Pledged   | <u>201,746</u>              |
| Subject to Custodial Credit Risk   | <u><u>\$ 53,725</u></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, 2024**

**NOTE 3 INVESTMENTS**

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

|   | <u>Balance at<br/>June 30, 2024</u> |
|---|-------------------------------------|
| Primary Government:                               |                                     |
| Current:  |                                     |
| Investment in State General Fund Investment Pool  | \$ 14,619,587                       |
| Investment in Local Government Investment Pool    | 85,229                              |
| Investments                                       | 47,649,087                          |
| Noncurrent:                                       |                                     |
| Investments                                       | 885,268                             |
| Fiduciary Funds:                                  |                                     |
| Investment in State General Fund Investment Pool  | 426,434                             |
| Investment in Local Government Investment Pool    | 15,596                              |
| Investments                                       | 41,429,138                          |
| Component Units:                                  |                                     |
| Investments                                       | 3,428,591                           |
| Investment in Local Government Investment Pool    | 31,156                              |
| Total Investments                                 | <u>\$ 108,570,086</u>               |
| Reconciliation to Investments Presented           |                                     |
| Total Presented Above                             | \$ 108,570,086                      |
| Less: Cash and Cash Equivalents Held in Brokerage |                                     |
| Accounts Included in Investment Pools             | <u>(935,201)</u>                    |
| Total Separately Held Investments                 | <u>\$ 107,634,885</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.

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 OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**A. 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, 2024, LGIP amortized cost approximated fair value, with the difference deemed immaterial.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**A. 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, 2024, the WAM(R) of the LGIP was 30 days, and the WAM(F) was 39 days. The fund was rated AAAM by Standard & Poor's as of June 30, 2024.

**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, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**B. State Investment Council**

The State of New Mexico Investment Council (the Council) is responsible for the investment activities of certain State trust funds. The Council is composed of 11-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.

**C. 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, multiemployer 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.

**D. State Universities and Colleges**

As mentioned in Note 1. B, the 10 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.

**E. 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 (the Plans). The Plans are savings vehicles for higher education expenses under Section 529 of the IRC. The funds are managed by a private company under contract agreement.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. 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.

**1. 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, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**1. Fair Value Measurement (Continued)**

| State of New Mexico<br>Fair Value of Investments<br>(Expressed in Thousands) |                             |  |  |  |
|--|-----------------------------|--|--|--|
| Investment   | Fair Value<br>June 30, 2024 | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Investments by Fair Value Level:</b>                                      |                             |  |  |  |
| <b>Equity Securities:</b>  |                             |  |  |  |
| Equities   | \$ 19,971,793               | \$ 19,936,384  | \$ 439   | \$ 34,970  |
| Domestic Equity  | 3,632,664                   | 3,632,142  | 522  | -  |
| U.S. Common and Preferred Stock  | 3,093,151                   | 3,093,149  | -  | 2  |
| Repurchase Agreements  | 1,854,100                   | -  | 1,854,100  | -  |
| International Equity   | 1,582,545                   | 1,582,545  | -  | -  |
| Mutual Funds   | 1,396,005                   | 1,360,478  | 35,527   | -  |
| Pooled Funds - Mutual Funds  | 1,154,226                   | -  | 1,154,226  | -  |
| Securities Lending Collateral Investments                                    | 565,986                     | -  | 565,986  | -  |
| Supranationals   | 501,585                     | -  | 501,585  | -  |
| Foreign Stocks   | 52,118                      | 52,118   | -  | -  |
| Foreign Issues   | 43,634                      | -  | 43,634   | -  |
| Public REIT  | 34,547                      | 1,348  | 33,199   | -  |
| Real Estate Holdings   | 17,021                      | 15,973   | -  | 1,048  |
| Self-Directed Brokerage Accounts   | 12,500                      | 12,500   | -  | -  |
| Money Market Mutual Funds  | 121                         | 121  | -  | -  |
| Corporate Stocks   | 4,984                       | 4,984  | -  | -  |
| Exchange-Traded Funds  | 3,783                       | 3,783  | -  | -  |
| Common Stocks  | 3,579                       | 3,579  | -  | -  |
| Short-Term Securities  | 2,679                       | -  | 2,679  | -  |
| Other Investments  | 1,283                       | 1,283  | -  | -  |
| Nonredeemable Securities   | 74                          | -  | -  | 74   |
| Total Equity Securities  | 33,928,378                  | 29,700,387   | 4,191,897  | 36,094   |
| <b>Debt Securities:</b>  |                             |  |  |  |
| U.S. Government Bonds  | 8,221,075                   | -  | 8,221,075  | -  |
| Corporate Bonds  | 7,009,039                   | 2,118  | 7,006,921  | -  |
| U.S. Treasury Securities   | 5,332,217                   | 206,755  | 5,125,462  | -  |
| Core Fixed Income  | 3,333,254                   | 806,554  | 2,526,700  | -  |
| Asset-Backed Securities  | 1,929,392                   | -  | 1,870,054  | 59,338   |
| Discounted Notes and Treasury Bills -  |                             |  |  |  |
| Zero Coupon  | 984,057                     | -  | 984,057  | -  |
| Commercial Paper   | 890,279                     | -  | 890,279  | -  |
| Fixed Income   | 842,117                     | 842,117  | -  | -  |
| Bank Loans   | 633,653                     | -  | 633,653  | -  |
| Collateralized Debt Obligation   | 607,637                     | -  | 607,637  | -  |
| U.S. Government Obligations  | 572,805                     | 572,805  | -  | -  |
| Demand Notes   | 540,630                     | -  | 540,630  | -  |
| Agency Securities (GSEs)   | 359,531                     | 989  | 85,513   | 273,029  |
| U.S. Corporate Obligations   | 227,096                     | -  | 227,096  | -  |
| U.S. Agency Obligations  | 197,406                     | -  | 197,406  | -  |
| Government Bonds   | 183,184                     | -  | 183,184  | -  |
| Foreign Obligations  | 81,756                      | -  | 46,249   | 35,507   |
| Global Fixed Income  | 73,461                      | -  | 73,461   | -  |
| Municipal Bonds  | 64,431                      | -  | 64,431   | -  |
| Certificate of Deposit   | 18,724                      | 18,724   | -  | -  |
| U.S. Government Agencies   | 4,573                       | 4,573  | -  | -  |
| Corporate Stocks and bonds   | 4,232                       | 4,232  | -  | -  |
| Domestic Corporate Bonds   | 4,015                       | -  | 4,015  | -  |
| Sovereign Debt   | 2,181                       | -  | 2,181  | -  |
| Corporate Debt Securities  | 650                         | 650  | -  | -  |
| Total Debt Securities  | 32,117,395                  | 2,459,517  | 29,290,004   | 367,874  |



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**1. Fair Value Measurement (Continued)**

| Investment  | Fair Value<br>June 30, 2024 | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|---|-----------------------------|--|--|--|
| <b>Investments by Fair Value Level (Continued):</b>       |                             |  |  |  |
| <b>Alternative Investments:</b>                           |                             |  |  |  |
| Master Limited Partnerships                               | \$ 256,213                  | \$ 256,213   | \$ -   | \$ -   |
| Total Alternative Investments                             | 256,213                     | 256,213  | -  | -  |
| <b>Investments in Derivative Instruments:</b>             |                             |  |  |  |
| Credit Derivatives  | 11,045                      | -  | 11,045   | -  |
| Fixed Income Derivatives                                  | 3,197                       | 1,509  | 1,688  | -  |
| Equity Derivatives  | 1,212                       | 1,212  | -  | -  |
| Interest Rate Derivatives                                 | 497                         | 3,157  | (2,660)  | -  |
| Other Derivatives   | 379                         | -  | 379  | -  |
| Currency Derivatives                                      | (1)                         | (1)  | -  | -  |
| Total Derivative Instruments                              | 16,329                      | 5,877  | 10,452   | -  |
| Total Investments Measured<br>at Fair Value               | 66,318,315                  | \$ 32,421,994  | \$ 33,492,353  | \$ 403,968   |
| <b>Investments Measured at Net Asset<br/>Value (NAV):</b> |                             |  |  |  |
| Private Equity Partnerships                               | 6,893,830                   | \$ 4,312,319   | Not Redeemable   | Not Redeemable                                     |
| Private Equity Funds                                      | 5,055,499                   | 2,137,030  | N/A  | N/A  |
| Private Debt Partnerships                                 | 4,388,201                   | 3,403,910  | Quarterly  | 90 to 180 Days                                     |
|   | 414,956                     | -  | Not Redeemable   | Not Redeemable                                     |
| Real Asset Partnerships                                   | 3,610,486                   | 2,667,411  | Not Redeemable   | Not Redeemable                                     |
| Private Real Assets                                       | 3,252,496                   | 1,527,252  | N/A  | N/A  |
| Opportunistic Credit Funds                                | 2,879,870                   | 770,101  | Daily, Monthly,<br>Quarterly, Semi-<br>Annual          | 30 to 180 Days                                     |
| Real Estate Partnerships                                  | 2,711,599                   | 3,487,737  | Not Redeemable   | Not Redeemable                                     |
| Open-Ended Real Estate Partnerships                       | 2,159,418                   | 2,296  | Quarterly  | 45 to 90 Days                                      |
| Comingled International Equity Funds                      | 1,529,431                   | -  | Daily, Monthly   | 5 to 15 Days                                       |
|   | 289,878                     | -  | Monthly  | 30 Days  |
| Limited Partnership                                       | 1,017,045                   | 77,401   | Daily  | 10 to 12 Days                                      |
|   | 285                         | 4  | None   | None   |
| Open-Ended Real Asset Partnership                         | 873,460                     | -  | Quarterly-Biannual                                     | 90 to 180 Days                                     |
| Absolute Return Pool                                      | 761,808                     | -  | N/A  | N/A  |
| Regional Private Equity Partnerships                      | 406,196                     | 467,095  | Not Redeemable   | Not Redeemable                                     |
| Comingled Global Asset Allocation                         | 282,671                     | -  | Monthly, Quarterly,                                    | 30 to 120 Days                                     |
| Guaranteed Investment Contracts                           | 263,519                     | -  | Daily  | Daily  |
| LifeCycle Funds   | 247,523                     | -  | (Blank)  | (Blank)  |
| Private Investment Funds                                  | 60,814                      | 34,436   | Not Redeemable   | Not Redeemable                                     |
| Limited Partnerships - Global Equity                      | 39,022                      | -  | Monthly  | 16 Days  |
| Limited Partnerships - Opportunistic Credit               | 22,310                      | -  | Monthly  | 15 Days  |
| Alternative Investments                                   | 15,670                      | -  | Monthly/Quarterly/<br>Annually/Rolling<br>2 Years      | 3 to 90 Days                                       |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**1. Fair Value Measurement (Continued)**

| Investment   | Fair Value<br>June 30, 2024 | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|--|-----------------------------|-------------------------|-------------------------|-----------------------------|
| Investments Measured at Net Asset Value (NAV) (Continued): |                             |                         |                         |                             |
| Absolute Return (Hedge) Funds                              | \$ 15,337                   | \$ -                    | Quarterly               | 30 to 65 Days               |
| Real Asset Funds   | 6,441                       | 3,338                   | Not redeemable          | Not Redeemable              |
| Hedge Fund Investments - Equity                            |                             |                         |                         |                             |
| Long/Short   | 5,421                       | 774                     | Monthly                 | 30 Days                     |
| Limited Partnerships - Private Markets                     | 5,396                       | 6,998                   | None                    | None                        |
| Real Estate Funds  | 5,216                       | 2,382                   | Not redeemable          | Not Redeemable              |
| Hedge Fund Investments - Multi-Strategy                    | 3,432                       | 267                     | Monthly                 | 30 Days                     |
| Limited Partnerships - Private Credit                      | 2,877                       | 3,520                   | None                    | None                        |
| Equities   | 826                         | -                       | Monthly                 | 15 Days                     |
| Investments Measured at NAV                                | 37,220,933                  | <u>\$ 12,454,922</u>    |                         |                             |
| Investments Measured at Amortized Cost:                    |                             |                         |                         |                             |
| Flexible Repurchase Agreements                             | 56,037                      |                         |                         |                             |
| Money Market Mutual Funds                                  | 50,601                      |                         |                         |                             |
| Commercial Paper   | 2,474                       |                         |                         |                             |
| STO - LGIP   | 20                          |                         |                         |                             |
| Investments at Amortized Cost                              | 109,132                     |                         |                         |                             |
| Investments Measured at Contract Value:                    |                             |                         |                         |                             |
| Stable Value Options (Def. Comp.)                          | 120,489                     |                         |                         |                             |
| Guaranteed Investment Account                              | 123,499                     |                         |                         |                             |
| Investments at Contract Value                              | 243,988                     |                         |                         |                             |
| Other Investments:   |                             |                         |                         |                             |
| New Mexico Private Equity                                  | 16,338                      |                         |                         |                             |
| Lovelace Hospital  | 12,820                      |                         |                         |                             |
| Other Investments  | 6,101                       |                         |                         |                             |
| Money Market Mutual Funds                                  | 5,132                       |                         |                         |                             |
| Limited Partnership  | 1,329                       |                         |                         |                             |
| Escrow Accounts  | 1,006                       |                         |                         |                             |
| Total Other Investments                                    | 42,726                      |                         |                         |                             |
| Total Separately-Held Investments                          | <u>\$ 103,935,094</u>       |                         |                         |                             |

**2. 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**2. Custodial Credit Risk (Continued)**

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 \$8.7 billion as held in the name of the investment fund by the fund's custodian bank, and \$8.5 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, 2024. Its discretely presented component units had exposure for a total of \$9.0 million. All of the other schools reported no exposure to custodial credit risk.

**3. 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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**3. Credit Risk (Continued)**

ERB requires that noncash, interest-paying securities in the high-yield bond portfolios may not exceed 5% of the market value of the portfolio and that investments in cash may represent no more than 5% of each individual fund. Credit risk is managed through diversification and by operating within defined parameters versus a benchmark index.

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

The quality ratings of investments in fixed income securities at June 30, 2024, 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:                                 |           |               |
| Government Bonds                         | AA+       | \$ 10,272,020 |
|  | AA        | 6,707         |
|  | A+        | 6,405         |
|  | A         | 6,865         |
|  | BBB+      | 1,732         |
|  | BBB       | 38,595        |
|  | BBB-      | 10,170        |
|  | BB+       | 23,143        |
|  | BB        | 18,131        |
|  | BB-       | 7,903         |
|  | B+        | 4,594         |
|  | B         | 2,959         |
|  | B-        | 7,380         |
|  | CCC+      | 2,394         |
|  | CCC       | 4,399         |
|  | CC        | 962           |
|  | Not Rated | 229           |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**3. 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                          | AAA       | \$ 122,096 |
|  | AA+       | 384,184    |
|  | Aa1       | 70,821     |
|  | AA        | 160,476    |
|  | Aa2       | 7,653      |
|  | AA-       | 306,338    |
|  | Aa3       | 3,756      |
|  | A+        | 651,344    |
|  | A1        | 32,776     |
|  | A-1       | 26,965     |
|  | A         | 789,125    |
|  | A2        | 14,585     |
|  | A-        | 568,166    |
|  | A3        | 15,855     |
|  | Baa1      | 15,078     |
|  | BBB+      | 588,287    |
|  | Baa2      | 15,383     |
|  | BBB       | 821,120    |
|  | Baa3      | 4,331      |
|  | BBB-      | 550,712    |
|  | BB+       | 655,195    |
|  | Ba1       | 1,009      |
|  | BB        | 715,724    |
|  | BB-       | 857,463    |
|  | B+        | 551,360    |
|  | B         | 541,664    |
|  | B-        | 404,107    |
|  | CCC+      | 160,071    |
|  | CCC       | 92,408     |
|  | CCC-      | 15,407     |
|  | D         | 4,735      |
|  | Not Rated | 101,405    |
| Agency Securities (GSEs)                 | AA+       | 2,701,010  |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**3. Credit Risk (Continued)**

| State of New Mexico<br>Quality Ratings of Investments (Continued)<br>(Expressed in Thousands) |           |            |
|---|-----------|------------|
| Investment  | Rating    | Fair Value |
| Investments Subject to Credit Risk - S&P  |           |            |
| Ratings (Continued):  |           |            |
| Asset-Backed Securities   | AAA       | \$ 149,123 |
|   | AA+       | 1,342,551  |
|   | AA        | 33,550     |
|   | AA-       | 101,256    |
|   | A+        | 18,296     |
|   | A         | 75,177     |
|   | A-        | 3,592      |
|   | BBB+      | 14,346     |
|   | BBB       | 28,948     |
|   | BBB-      | 9,233      |
|   | BB+       | 2,092      |
|   | BB        | 878        |
|   | BB-       | 544        |
|   | B+        | 44         |
|   | B-        | 1,552      |
|   | CCC       | 1,882      |
|   | CC        | 312        |
|   | D         | 81         |
|   | Not Rated | 532,252    |
| Commercial Paper  | AAA       | 99,359     |
|   | AA+       | 315,973    |
|   | AA-       | 116,768    |
|   | A+        | 59,999     |
|   | A-1       | 101,588    |
|   | A-1+      | 111,786    |
|   | A         | 84,807     |
|   | Not Rated | 825,831    |
| Discounted Notes  | AAA       | 164,443    |
|   | AA+       | 569,124    |
|   | A-1+      | 250,490    |
|   | Not Rated | 3,689      |
| U.S. Government Bonds   | AA+       | 822,314    |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**3. 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           | AAA       | \$ 184,812 |
|  | AA        | 28,445     |
|  | A         | 5,206      |
|  | BBB       | 12,411     |
|  | BBB-      | 50,684     |
|  | Not Rated | 326,078    |
| U.S. Government Obligations              | AAA       | 548,964    |
|  | AA+       | 20,290     |
|  | AA        | 2,619      |
|  | Not Rated | 931        |
| Demand Notes                             | AAA       | 33,650     |
|  | AA+       | 6,740      |
|  | Aa1       | 60,325     |
|  | A-1       | 69,145     |
|  | A-1+      | 370,770    |
| CMO/REMIC                                | AAA       | 2,126      |
|  | AA+       | 229,362    |
|  | AA-       | 48         |
|  | A         | 169        |
|  | A-        | 6,306      |
|  | BBB+      | 4,807      |
|  | BBB       | 2,690      |
|  | BBB-      | 837        |
|  | BB+       | 4,042      |
|  | BB        | 1,103      |
|  | B+        | 208        |
|  | B         | 918        |
|  | B-        | 54         |
|  | CCC       | 134        |
|  | D         | 35         |
|  | Not Rated | 52,994     |
| U.S. Treasury Securities                 | AA+       | 216,442    |
| Treasury Bills                           | A-1+      | 162,548    |
|  | B         | 14,328     |
| U.S. Agency Obligations                  | AA+       | 98,284     |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**3. Credit Risk (Continued)**

| State of New Mexico<br>Quality Ratings of Investments (Continued)<br>(Expressed in Thousands) |           |                       |
|---|-----------|-----------------------|
| Investment  | Rating    | Fair Value            |
| Investments Subject to Credit Risk - S&P  |           |                       |
| Ratings (Continued):  |           |                       |
| Municipal Bonds   | AAA       | \$ 8,834              |
|   | AA+       | 26,509                |
|   | AA        | 21,126                |
|   | AA-       | 6,127                 |
|   | Aa3       | 7,447                 |
|   | A1        | 921                   |
|   | A         | 423                   |
|   | A-        | 342                   |
|   | Not Rated | 1,078                 |
| Non-US Government Bonds   | A         | 19                    |
|   | AAA       | 30,284                |
|   | AA+       | 936                   |
|   | AA        | 3,100                 |
|   | AA-       | 1,316                 |
|   | A+        | 5,783                 |
|   | A         | 1,988                 |
|   | A-        | 1,607                 |
|   | BBB+      | 3,255                 |
|   | BBB       | 8,531                 |
|   | BBB-      | 1,504                 |
|   | Not Rated | 575                   |
| Certificate of Deposit  | Not Rated | 18,724                |
| U.S. Government Agencies  | Not Rated | 4,573                 |
| Corporate Debt Securities   | BBB-      | 650                   |
| Total Subject to Risk - S & P Ratings   |           | <u>30,881,234</u>     |
| Total Investments Subject to Credit Risk  |           | 30,881,234            |
| Investments Not Subject to Credit Risk  |           | 71,817,699            |
| Add: Education Trust Board Investments (Presented<br>in Separate Note)                        |           | 790,781               |
| Information Not Available   |           | <u>445,380</u>        |
| Total Separately-Held Investments   |           | <u>\$ 103,935,094</u> |



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**3. 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, 2024

Scholar's Edge Plan

| Portfolio/Rating                             | AAA     | AA      | A       | BBB     | BB     |
|--|---------|---------|---------|---------|--------|
| iShares Core U.S. Aggregate Bond ETF         | 20.10 % | 23.40 % | 33.20 % | 15.20 % | 0.00 % |
| MainStay MacKay High Yield Corp. Class R-6   | 0.00    | 0.10    | 0.00    | 9.50    | 52.90  |
| Principal Core Fixed Income Fund Class R-6   | 51.10   | 1.90    | 19.90   | 26.30   | 0.60   |
| Principal Short-Term Income Fund Inst. Class | 42.80   | 2.80    | 17.00   | 28.50   | 1.40   |
| Vanguard Total Int'l. Bond Index Fund ETF    | 25.00   | 27.20   | 27.00   | 18.40   | 0.00   |

| Portfolio/Rating                             | B      | Below B | Not Rated | Total    |
|--|--------|---------|-----------|----------|
| iShares Core U.S. Aggregate Bond ETF         | 0.00 % | 0.00 %  | 8.10 %    | 100.00 % |
| MainStay MacKay High Yield Corp. Class R-6   | 31.30  | 4.70    | 1.50      | 100.00   |
| Principal Core Fixed Income Fund Class R-6   | 0.20   | 0.00    | 0.00      | 100.00   |
| Principal Short-Term Income Fund Inst. Class | 0.00   | 0.00    | 7.50      | 100.00   |
| Vanguard Total Int'l. Bond Index Fund ETF    | 0.00   | 1.90    | 0.50      | 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               | 20.10  | 23.40    | 33.20  | 15.20  | 0.00   |
| Nuveen Core Plus Bond R-6                            | 3.80   | 41.70    | 11.50  | 24.20  | 10.40  |
| Vanguard Short-Term Inflation-Prot. Sec. Index Inst. | 100.00 | 0.00     | 0.00   | 0.00   | 0.00   |
| Vanguard Short-Term Treasury Index Inst.             | 100.00 | 0.00     | 0.00   | 0.00   | 0.00   |
| Vanguard Total Bond Market                           | 71.50  | 3.00     | 12.50  | 13.00  | 0.00   |
| Vanguard Untra Short-Term Bond - Adm                 | 26.70  | 4.80     | 36.70  | 30.60  | 0.20   |
| Vanguard High Yield Corp. ADM                        | 5.10   | 2.10     | 0.20   | 4.50   | 51.40  |
| PGIM Global Total Return Class R-6                   | 21.70  | 10.60    | 18.40  | 32.20  | 10.20  |

| 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    | 8.10      | 100.00   |
| Nuveen Core Plus Bond R-6                            | 5.20   | 0.40    | 2.80      | 100.00   |
| Vanguard Short-Term Inflation-Prot. Sec. Index Inst. | 0.00   | 0.00    | 0.00      | 100.00   |
| Vanguard Short-Term Treasury Index Inst.             | 0.00   | 0.00    | 0.00      | 100.00   |
| Vanguard Total Bond Market                           | 0.00   | 0.00    | 0.00      | 100.00   |
| Vanguard Untra Short-Term Bond - Adm                 | 0.00   | 0.10    | 0.90      | 100.00   |
| Vanguard High Yield Corp. ADM                        | 31.00  | 4.90    | 0.80      | 100.00   |
| PGIM Global Total Return Class R-6                   | 2.40   | 1.30    | 3.20      | 100.00   |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**4. 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, 2024, there were no holdings with a single issuer comprising 5% 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.

**5. 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% 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, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**5. Interest Rate Risk (Continued)**

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

| State of New Mexico<br>Maturities on Investments<br>(Expressed in Thousands) |                |              |               |              |              |                 |
|--|----------------|--------------|---------------|--------------|--------------|-----------------|
| Investment   | Fair Value     | Total        |               |              |              |                 |
|  |                | < 1 Year     | 1-5 Years     | 6-10 Years   | > 10 Years   | Life Not Avail. |
| Investments Subject to Interest  |                |              |               |              |              |                 |
| Rate Risk:   |                |              |               |              |              |                 |
| Corporate Bonds  | \$ 10,040,457  | \$ 1,398,132 | \$ 4,861,365  | \$ 3,273,800 | \$ 507,160   | \$ -            |
| U.S. Government Bonds  | 8,861,065      | 2,971,314    | 5,050,854     | 822,314      | 16,583       | -               |
| Government Bonds   | 5,096,889      | 60,907       | 2,800,460     | 1,083,930    | 1,151,592    | -               |
| Asset-Backed Securities  | 2,380,142      | 164,160      | 643,054       | 234,718      | 1,338,210    | -               |
| Discounted Notes   | 1,007,890      | 967,931      | 39,959        | -            | -            | -               |
| Commercial Paper   | 892,752        | 852,823      | 39,929        | -            | -            | -               |
| Collateralized Debt Obligation   | 607,637        | 592,832      | -             | -            | 14,805       | -               |
| U.S. Government Obligations  | 572,805        | 51,572       | 394,069       | 61,953       | 65,211       | -               |
| Demand Notes   | 540,630        | -            | 540,630       | -            | -            | -               |
| CMO/REMIC  | 241,399        | 160,940      | 22,691        | 11,450       | 46,318       | -               |
| U.S. Treasury Securities   | 410,413        | 70,779       | 147,965       | 191,669      | -            | -               |
| Treasury Bills   | 176,877        | 176,877      | -             | -            | -            | -               |
| U.S. Agency Obligations  | 85,513         | 24,178       | 61,335        | -            | -            | -               |
| Municipal Bonds  | 68,997         | 13,082       | 39,808        | -            | 16,107       | -               |
| Non-U.S. Government Bonds  | 58,877         | -            | -             | 58,877       | -            | -               |
| Certificate of Deposit   | 12,343         | 3,805        | 7,546         | 992          | -            | -               |
| U.S. Government Agencies   | 4,573          | 4,573        | -             | -            | -            | -               |
| Domestic Corporate Bonds   | 4,015          | 1,991        | 2,024         | -            | -            | -               |
| Agency Securities (GSEs)   | 989            | -            | 989           | -            | -            | -               |
| U.S. Government and Corporate  |                |              |               |              |              |                 |
| Debt Securities  | 649            | 57           | 219           | 284          | 89           | -               |
| Discounted Notes and Treasury  |                |              |               |              |              |                 |
| Bills - Zero Coupon  | -              | -            | -             | -            | -            | -               |
| International Government   |                |              |               |              |              |                 |
| Obligations  | 25,618         | -            | -             | 25,618       | -            | -               |
| Total Investments Subject  |                |              |               |              |              |                 |
| to Interest Rate Risk  | 31,090,530     | \$ 7,515,953 | \$ 14,652,897 | \$ 5,765,605 | \$ 3,156,075 | \$ -            |
| Investments Not Subject to Interest  |                |              |               |              |              |                 |
| Rate Risk  | 71,817,699     |              |               |              |              |                 |
| Information Not Available  | 236,084        |              |               |              |              |                 |
| Add: Education Trust Board   |                |              |               |              |              |                 |
| (Presented in Separate Note)   | 790,781        |              |               |              |              |                 |
| Total Separately-Held  |                |              |               |              |              |                 |
| Investments  | \$ 103,935,094 |              |               |              |              |                 |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**5. Interest Rate Risk (Continued)**

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

| New Mexico Education Trust Board<br>Maturities on Investments |          |           |            |                              |
|---|----------|-----------|------------|------------------------------|
| Investment  | < 1 Year | 1-5 Years | 6-10 Years | Fair Value<br>(In Thousands) |
| The Scholar's Edge:   |          |           |            |                              |
| Vanguard Total Int'l. Bond Index Fund ETF                     | -        | -         | 7.24       | \$ 1,058                     |
| iShares Core U.S. Aggregate Bond ETF                          | -        | -         | 5.99       | 91,728                       |
| Principal Core Fixed Income Fund Class R-6                    | -        | -         | 5.99       | 377,722                      |
| MainStay MacKay High Yield Corp. Class R-6                    | -        | 2.68      | -          | 4,717                        |
| Principal Short-term Income Fund Inst. Class                  | -        | 2.04      | -          | 162,057                      |
| The Education Plan:   |          |           |            |                              |
| DFA Inflation-Protected Securities - Inst. Class              | -        | -         | 6.67       | 27,136                       |
| PGIM Global Total Return Fund Class R-6                       | -        | -         | 6.45       | 1,582                        |
| Nuveen Core Plus Bond R-6                                     | -        | -         | 6.23       | 7,487                        |
| iShares Core International Aggregate Bond ETF                 | -        | -         | 6.79       | 18,738                       |
| Vanguard Total Bond Market                                    | -        | -         | 5.97       | 12,382                       |
| Vanguard High-Yield Corporate Fund ADM                        | -        | 3.03      | -          | 25,730                       |
| Vanguard Short-term Inflation-Prot. Sec. Index Inst.          | -        | 2.51      | -          | 6,363                        |
| Vanguard Short-term Treasury Index Inst. Class                | -        | 1.87      | -          | 54,088                       |
| Vanguard Ultra Short-term Bond Adm                            | 0.93     | -         | -          | 1,051                        |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**6. 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, 2024 was as follows:

| State of New Mexico<br>Foreign Currency Risk<br>International Investment Securities at Fair Value<br>(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  | \$ -                | \$ -             | \$ -   | \$ -            | \$ -                  | \$ 1                      |
| Australian Dollar   | 348,755             | 85               | -  | 28              | 348,868               | 394                       |
| Botswana Pula   | 30                  | -                | -  | -               | 30                    | 4                         |
| Brazilian Real  | 166,637             | 14,328           | -  | 528             | 181,493               | 718                       |
| British Pound Sterling  | 1,034,815           | 20,999           | 90,702   | 103             | 1,146,619             | 11,427                    |
| Canadian Dollar   | 533,462             | -                | -  | 65              | 533,527               | 1,208                     |
| Chilean Peso  | 7,329               | -                | -  | -               | 7,329                 | 231                       |
| Chinese Yuan Renminbi   | 118,268             | -                | -  | (26)            | 118,242               | 608                       |
| Colombian Peso  | 204                 | -                | -  | -               | 204                   | 23                        |
| Czech Koruna  | 412                 | -                | -  | -               | 412                   | 27                        |
| Danish Krone  | 212,760             | 247              | -  | -               | 213,007               | 368                       |
| Egyptian Pound  | 67                  | -                | -  | -               | 67                    | 3                         |
| Euro  | 2,519,562           | 47,665           | 1,217,777  | 734             | 3,785,738             | 48,649                    |
| Ghanian Cedi  | 60                  | -                | -  | -               | 60                    | -                         |
| Hong Kong Dollar  | 612,489             | -                | -  | (7)             | 612,482               | 2,659                     |
| Hungarian Forint  | 3,247               | -                | -  | -               | 3,247                 | 144                       |
| Indian Rupee  | 55,864              | -                | -  | 1               | 55,865                | 694                       |
| Indonesian Rupiah   | 42,681              | -                | -  | (29)            | 42,652                | 219                       |
| Israeli Shekel  | 37,692              | -                | -  | -               | 37,692                | 314                       |
| Japanese Yen  | 1,732,893           | 144              | -  | 51              | 1,733,088             | 10,132                    |
| Kenyan Shilling   | 4                   | -                | -  | -               | 4                     | -                         |
| Kuwaiti Dinar   | 2,102               | -                | -  | -               | 2,102                 | 89                        |
| Malaysian Ringgit   | 37,868              | -                | -  | -               | 37,868                | 212                       |
| Mexican Peso  | 79,774              | 1,732            | -  | (157)           | 81,349                | 81                        |
| New Taiwan Dollar   | 547,341             | -                | -  | -               | 547,341               | 1,045                     |
| New Turkish Lira  | 26,350              | -                | -  | 139             | 26,489                | 42                        |
| New Zealand Dollar  | 15,791              | -                | -  | -               | 15,791                | 171                       |
| Norwegian Krone   | 88,573              | -                | -  | (2)             | 88,571                | 953                       |
| Peruvian Nuevo Sol  | -                   | 1,230            | -  | 18              | 1,248                 | 166                       |
| Philippine Peso   | 5,996               | -                | -  | -               | 5,996                 | 55                        |
| Polish Zloty  | 23,622              | -                | -  | -               | 23,622                | 82                        |
| Qatari Riyal  | 9,858               | -                | -  | -               | 9,858                 | 95                        |
| Russian Ruble   | 9                   | -                | -  | -               | 9                     | 100                       |
| Saudi Riyal   | 56,585              | -                | -  | -               | 56,585                | 200                       |
| Singapore Dollar  | 119,524             | -                | -  | -               | 119,524               | 429                       |
| South African Rand  | 59,706              | -                | -  | (4)             | 59,702                | 200                       |
| South Korean Won  | 376,240             | -                | -  | -               | 376,240               | 638                       |
| Swedish Krona   | 221,211             | -                | -  | -               | 221,211               | 1,492                     |
| Swiss Franc   | 652,263             | -                | -  | -               | 652,263               | 603                       |
| Thai Baht   | 68,292              | -                | -  | -               | 68,292                | 185                       |
| Tunisian Dinar  | 2                   | -                | -  | -               | 2                     | -                         |
| UAE Dirham  | 14,373              | -                | -  | -               | 14,373                | 194                       |
| Subtotal  | <u>\$ 9,832,711</u> | <u>\$ 86,430</u> | <u>\$ 1,308,479</u>                                  | <u>\$ 1,442</u> | <u>11,229,062</u>     | <u>84,855</u>             |
| Total Investments and Cash and Cash Equivalents Subject to Foreign Currency Risk  |                     |                  |  |                 | 11,229,062            | <u>\$ 84,855</u>          |
| Investments Not Subject to Foreign Currency Risk  |                     |                  |  |                 | 92,706,032            |                           |
| Total Separately-Held Investments   |                     |                  |  |                 | <u>\$ 103,935,094</u> |                           |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**7. 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% 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, 2024, had a carrying amount and fair value of \$581.8 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, 2024, 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 \$565.9 million at June 30, 2024. Total cash and noncash collateral was \$601.6 million, 103% of the fair value of the securities on loan.

As of June 30, 2024, 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 \$4.1 million for the fiscal year.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**8. 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, 2024, 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<br>Fair Value | Fair Value | Notional<br>Amount | Unit of<br>Value |
|------------------------------|-------------------------|------------|--------------------|------------------|
| Futures Contracts:           |                         |            |                    |                  |
| Currency Futures             | \$ (25)                 | \$ -       | \$ 6,003           | \$ 6,002         |
| Equity Index Futures         | (3,888)                 | 1,093      | 312,916            | 314,010          |
| Bond Index Futures           | 6,881                   | 1,509      | 205,808            | 207,317          |
| Swap Contracts:              |                         |            |                    |                  |
| Return Swaps (Equity)        | \$ (1,884)              | \$ -       | \$ -               | \$ -             |
| Cleared Credit Default Swaps | (5,438)                 | 1,688      | -                  | -                |

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

| Derivative Type           | Balance at<br>June 30, 2024 |
|---------------------------|-----------------------------|
| Commodity Futures         | \$ 3,641                    |
| Commodity Futures - Short | (1)                         |
| Futures Contracts         | 38,700                      |
| Index Futures             | 223                         |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**8. Derivatives (Continued)**

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 | \$ 778    | Investment     | \$ -   |
| Commodity Futures - Short   | Investment Income | (101)     | Investment     | -      |
| Fixed Income Futures - Long | Investment Income | (1,223)   | Investment     | -      |
| Index Futures - Long        | Investment Income | 22,977    | Investment     | -      |
| Index Futures - Short       | Investment Income | 3         | Investment     | -      |

**Types of Derivative Instruments:**

**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.

**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.



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**8. Derivatives (Continued)**

Types of Derivatives Instruments (Continued)

**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, 2024, 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, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**8. 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):

| Derivative Type                      | Balance at<br>June 30, 2024 |
|--------------------------------------|-----------------------------|
| Asset-Backed Securities              | \$ 265,558                  |
| Nonagency Mortgage-Backed Securities | 15,568                      |
| Foreign Asset-Backed Securities      | 49,436                      |
| Total                                | <u>\$ 330,562</u>           |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**9. Discretely Presented Component Units**

Fair Value

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

| State of New Mexico<br>Discretely Presented Component Units<br>Fair Value of Investments<br>(Expressed in Thousands) |                             |  |  |  |
|--|-----------------------------|--|--|--|
| Investment   | Fair Value<br>June 30, 2024 | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Equity Securities:</b>  |                             |  |  |  |
| Mutual Funds   | \$ 395,642                  | \$ 340,839   | \$ 54,803  | \$ -   |
| Money Market Mutual Funds  | 185,701                     | 185,701  | -  | -  |
| Equities   | 28,805                      | 28,805   | -  | -  |
| Beneficial Interest in Trust   | 20,480                      | -  | 20,480   | -  |
| Real Estate Holdings   | 3,202                       | -  | -  | 3,202  |
| Real Asset Funds   | 2,878                       | 773  | 2,105  | -  |
| Private Debt Partnerships  | 1,997                       | -  | -  | 1,997  |
| Limited Partnership  | 1,753                       | -  | -  | 1,753  |
| Other Investments  | 906                         | -  | 906  | -  |
| Exchange-Traded Funds  | 913                         | 913  | -  | -  |
| Life Insurance Contracts   | 495                         | -  | 495  | -  |
| Endowment investment - ACF   | -                           | -  | -  | -  |
| Endowment investment - CFSNM   | -                           | -  | -  | -  |
| Real Estate Funds  | 40                          | 40   | -  | -  |
| Total Equity Securities  | 642,812                     | 557,071  | 78,789   | 6,952  |
| <b>Debt Securities:</b>  |                             |  |  |  |
| Securitized Mortgage Loans   | 1,771,177                   | 1,771,177  | -  | -  |
| U.S. Treasury Notes  | 750,251                     | 750,251  | -  | -  |
| U.S. Government Bonds  | 32,637                      | -  | 32,637   | -  |
| Agency Securities (GSEs)   | 29,465                      | 28,202   | 1,263  | -  |
| U.S. Government Agencies   | 14,872                      | 14,872   | -  | -  |
| U.S. Treasury Securities   | 8,555                       | 8,555  | -  | -  |
| Corporate Bonds  | 7,082                       | 6,534  | 548  | -  |
| U.S. Agency Obligations  | 3,976                       | 3,976  | -  | -  |
| Fixed Income   | 1,044                       | 1,044  | -  | -  |
| Asset-Backed Securities  | 972                         | -  | 972  | -  |
| Certificate of Deposit   | 487                         | -  | 487  | -  |
| U.S. Corporate Obligations   | 443                         | 425  | 18   | -  |
| Total Debt Securities  | 2,620,961                   | 2,585,036  | 35,925   | -  |
| Total Investments Measured<br>At Fair Value  | 3,263,773                   | \$ 3,142,107   | \$ 114,714   | \$ 6,952   |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**9. Discretely Presented Component Units (Continued)**

Fair Value (Continued)

| Investment   | Fair Value<br>June 30, 2024 | Unfunded<br>Commitments | Redemption<br>Frequency                             | Redemption<br>Notice Period |
|--|-----------------------------|-------------------------|---|-----------------------------|
| Investments Measured at Net Asset Value (NAV):         |                             |                         |   |                             |
| Alternative Investments                                | \$ 23,406                   | \$ -                    | Monthly/Quarterly/<br>Annually/Rolling<br>2 Years   | 2 to 90 Days                |
| Hedge Fund Investments - Equity Long/Short             | 15,384                      | 2,196                   | Monthly   | 16 Days                     |
| Hedge Fund Investments - Multi-Strategy                | 9,629                       | 750                     | Monthly   | 30 Days                     |
| Limited Partnership                                    | 1,983                       | -                       | 6/30 and 12/31                                      | 65 days                     |
|  | 1,947                       | -                       | Daily   | Daily                       |
|  | 7,530                       | -                       | Monthly   | 30 Days                     |
|  | 1,439                       | -                       |   | 60 days                     |
|  | 2,010                       | -                       |   | 90 days                     |
|  | 12,002                      | 6,254                   | Not Redeemable                                      | Not Redeemable              |
|  | 2,738                       | -                       | Quarterly   | 45 days                     |
|  | 866                         | -                       | Rolling Annually<br>on Anniversary                  | 95 days                     |
|  | 1,973                       | -                       | Three Series<br>of Shares                           | 60 days                     |
|  | 4,008                       | -                       | Weekly  | 5 days                      |
|  | 621                         | 9                       | None  | None                        |
|  | 3,196                       | -                       | After Lockup,<br>Quarterly Within<br>45 Days Notice | 45 days                     |
|  | 1,844                       | -                       | After Lockup,<br>Quarterly Within<br>75 Days Notice | 75 days                     |
| Limited Partnerships - Global Equity                   | 119,670                     | -                       | Monthly   | 16 Days                     |
| Limited Partnerships - Opportunistic Credit            | 73,707                      | -                       | Monthly   | 15 Days                     |
| Limited Partnerships - Private Credit                  | 8,791                       | 10,754                  | None  | None                        |
| Limited Partnerships - Private Markets                 | 18,775                      | 23,657                  | None  | None                        |
| Private Investment Funds                               | 84,256                      | 47,555                  | Not Redeemable                                      | Not Redeemable              |
| Real Asset Funds                                       | 9,556                       | 4,610                   | Not Redeemable                                      | Not Redeemable              |
| Real Estate Funds                                      | 7,395                       | 3,290                   | Not Redeemable                                      | Not Redeemable              |
| Wellington Research Equity                             | 11,691                      | -                       | Monthly   | 30 Days                     |
| Total Investments Measured at NAV                      | <u>424,417</u>              |                         |   |                             |
| Investments Measured at Amortized Cost:                |                             |                         |   |                             |
| Money Market Funds in Endowment Pools                  | <u>11,601</u>               |                         |   |                             |
| Total Investments, Discretely-<br>Presented Components | <u>\$ 3,699,791</u>         |                         |   |                             |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**9. 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<br>Discretely Presented Component Units<br>Quality Ratings<br>(Expressed in Thousands) |              |                            |
|--|--------------|----------------------------|
| Investment Type  | Rating       | Value                      |
| 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                        |
| U.S. Corporate Obligations   | AAA          | 287                        |
|  | Not Rated    | 34                         |
| Total Subject to Risk - S & P Ratings  |              | <u>1,368,080</u>           |
| Total Subject to Credit Risk   |              | 1,368,080                  |
| Total Not Subject to Credit Risk   |              | 1,078,830                  |
| Information Not Available  |              | <u>1,252,881</u>           |
| Total Investments, Discretely Presented Components   |              | <u><u>\$ 3,699,791</u></u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies (Continued)**

**9. Discretely Presented Component Units (Continued)**

Interest Rate Risk

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

| State of New Mexico<br>Discretely Presented Component Units<br>Maturities on Investments<br>(Expressed in Thousands) |                     |                                  |                   |                 |                          |                       |
|--|---------------------|----------------------------------|-------------------|-----------------|--------------------------|-----------------------|
| Investment Type  | Fair Value          | Investment Maturities (in Years) |                   |                 |                          |                       |
|  |                     | Less Than<br>1 Year              | 1-5 Years         | 6-10 Years      | Greater Than<br>10 Years | Life Not<br>Available |
| Investments Subject to Interest Rate Risk:   |                     |                                  |                   |                 |                          |                       |
| Securitized Mortgage Loans   | \$ 1,771,177        | \$ 76                            | \$ 1,755          | \$ 6,184        | \$ 1,306,015             | \$ 457,147            |
| U.S. Treasury Notes  | 750,251             | -                                | 560,712           | -               | -                        | 189,539               |
| U.S. Government Bonds  | 32,637              | 21,342                           | 1,118             | -               | -                        | 10,177                |
| Agency Securities (GSEs)   | 29,465              | 9,678                            | 5,449             | -               | -                        | 14,338                |
| U.S. Government Agencies   | 14,872              | 14,534                           | -                 | -               | -                        | 338                   |
| Corporate Bonds  | 7,082               | 4,260                            | 5,152             | -               | -                        | (2,330)               |
| U.S. Agency Obligations  | 3,976               | 2,925                            | 3,856             | -               | -                        | (2,805)               |
| Fixed Income   | 1,044               | 2,227                            | 2,314             | 959             | 46                       | (4,502)               |
| Asset-Backed Securities  | 972                 | -                                | 780               | -               | -                        | 192                   |
| Certificate of Deposit   | 487                 | -                                | 104               | 336             | 5                        | 42                    |
| U.S. Corporate Obligations   | 443                 | -                                | 320               | -               | -                        | 123                   |
| Investments Subject to<br>Interest Rate Risk   | 2,612,406           | <u>\$ 55,042</u>                 | <u>\$ 581,560</u> | <u>\$ 7,479</u> | <u>\$ 1,306,066</u>      | <u>\$ 662,259</u>     |
| Investments Not Subject to Interest<br>Rate Risk   | 1,078,830           |                                  |                   |                 |                          |                       |
| Information Not Available  | 8,555               |                                  |                   |                 |                          |                       |
| Total Investments, Discretely<br>Presented Components  | <u>\$ 3,699,791</u> |                                  |                   |                 |                          |                       |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 RECEIVABLES**

Receivables at June 30, 2024, including the applicable allowances for uncollectible accounts, are as follows (expressed in thousands):

|                             | Federal      | Local<br>Governments | Accounts<br>Receivable | Leases     | Brokers      | Interest   | Taxes        | Current<br>Loans | Allowance      | Current<br>Receivables,<br>Net Total | Noncurrent<br>Loans, Net | Noncurrent<br>Accounts<br>Receivable | Noncurrent<br>Receivables,<br>Net<br>Total | Receivables,<br>Net<br>Total |
|-----------------------------|--------------|----------------------|------------------------|------------|--------------|------------|--------------|------------------|----------------|--------------------------------------|--------------------------|--------------------------------------|--|------------------------------|
| Governmental Activities     | \$ 1,892,435 | \$ 49,655            | \$ 1,348,360           | \$ 281,695 | \$ 1,124,127 | \$ 120,407 | \$ 4,066,313 | \$ 120,437       | \$ (2,861,336) | \$ 6,142,093                         | \$ 44,341                | \$ -                                 | \$ 44,341                                  | \$ 6,186,434                 |
| Business-Type Activities    | 4,352        | -                    | 799,911                | 7,705      | -            | 1,164      | 64,884       | 15,898           | (156,003)      | 737,911                              | 308,636                  | -                                    | 308,636                                    | 1,046,547                    |
| Fiduciary Funds             | -            | -                    | 283,840                | -          | 152,907      | 11,470     | 505,852      | 10,612           | (1,886)        | 962,795                              | 531                      | -                                    | 531  | 963,326                      |
| Component Units             | -            | 1,254                | 32,779                 | -          | -            | 22,432     | -            | 184,385          | -              | 240,850                              | 2,107,678                | -                                    | 2,107,678                                  | 2,348,528                    |
| Governmental Funds:         |              |                      |                        |            |              |            |              |                  |                |                                      |                          |                                      |  |                              |
| General                     | 1,892,245    | 29,995               | 1,171,305              | 281,627    | 276,235      | 87,563     | 4,066,313    | 120,437          | (2,834,347)    | 5,091,373                            | 44,341                   | -                                    | 44,341                                     | 5,135,714                    |
| Debt Service                | -            | 19,475               | -                      | -          | -            | 389        | -            | -                | -              | 19,864                               | -                        | -                                    | -  | 19,864                       |
| Capital Projects            | 190          | 187                  | 1,109                  | 68         | -            | -          | -            | -                | -              | 1,554                                | -                        | -                                    | -  | 1,554                        |
| Severance Tax Permanent     | -            | -                    | -                      | -          | 186,607      | 32,456     | -            | -                | -              | 219,063                              | -                        | -                                    | -  | 219,063                      |
| Land Grant Permanent        | -            | -                    | 110,369                | -          | 661,285      | (1)        | -            | -                | -              | 771,653                              | -                        | -                                    | -  | 771,653                      |
| Child's Trust               | -            | (2)                  | 1                      | -          | -            | -          | -            | -                | -              | (1)                                  | -                        | -                                    | -  | (1)                          |
| Internal Service            | -            | -                    | 65,576                 | -          | -            | -          | -            | -                | (26,989)       | 38,587                               | -                        | -                                    | -  | 38,587                       |
| Business-Type Activities:   |              |                      |                        |            |              |            |              |                  |                |                                      |                          |                                      |  |                              |
| Educational Institutions    | -            | -                    | 471,174                | 4,238      | -            | -          | -            | -                | -              | 475,412                              | 37,032                   | -                                    | 37,032                                     | 512,444                      |
| Nonmajor Enterprise         | 4,352        | -                    | 328,737                | 3,467      | -            | 1,164      | 64,884       | 15,898           | (156,003)      | 262,499                              | 271,604                  | -                                    | 271,604                                    | 534,103                      |
| Fiduciary Funds:            |              |                      |                        |            |              |            |              |                  |                |                                      |                          |                                      |  |                              |
| Pension Trust               | -            | -                    | 192,351                | -          | 88,074       | 11,401     | (1)          | 10,612           | (226)          | 302,211                              | 531                      | -                                    | 531  | 302,742                      |
| External Trust              | -            | -                    | (55,136)               | -          | 64,833       | -          | -            | -                | -              | 9,697                                | -                        | -                                    | -  | 9,697                        |
| Private-Purpose Trust       | -            | -                    | -                      | -          | -            | 8          | -            | -                | -              | 8                                    | -                        | -                                    | -  | 8                            |
| Custodial                   | -            | -                    | 146,625                | -          | -            | 61         | 505,853      | -                | (1,660)        | 650,879                              | -                        | -                                    | -  | 650,879                      |
| Discrete Component Units:   |              |                      |                        |            |              |            |              |                  |                |                                      |                          |                                      |  |                              |
| Finance Authority           | -            | -                    | 3,098                  | -          | -            | 14,056     | -            | 184,385          | -              | 201,539                              | 1,805,792                | -                                    | 1,805,792                                  | 2,007,331                    |
| Mortgage Finance Authority  | -            | -                    | -                      | -          | -            | 8,008      | -            | -                | -              | 8,008                                | 204,780                  | -                                    | 204,780                                    | 212,788                      |
| Other Major Component Units | -            | -                    | 21,419                 | -          | -            | -          | -            | -                | -              | 21,419                               | -                        | -                                    | -  | 21,419                       |
| Nonmajor Component Units    | -            | 1,254                | 8,262                  | -          | -            | 368        | -            | -                | -              | 9,884                                | 97,106                   | -                                    | 97,106                                     | 106,990                      |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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, 2024 (expressed in thousands):

| <u>Year Ending June 30,</u> | <u>Governmental Activities</u> |                   |                   |
|-----------------------------|--------------------------------|-------------------|-------------------|
|                             | <u>Principal</u>               | <u>Interest</u>   | <u>Total</u>      |
| 2025                        | \$ 3,840                       | \$ 4,787          | \$ 8,627          |
| 2026                        | 3,881                          | 4,694             | 8,575             |
| 2027                        | 4,457                          | 4,595             | 9,052             |
| 2028                        | 8,210                          | 4,422             | 12,632            |
| 2029                        | 7,467                          | 4,247             | 11,714            |
| 2030 - 2034                 | 34,360                         | 18,714            | 53,074            |
| 2035 - 2039                 | 31,716                         | 19,440            | 51,156            |
| 2040 - 2044                 | 27,957                         | 13,746            | 41,703            |
| 2045 - 2049                 | 30,662                         | 11,451            | 42,113            |
| 2050 - 2054                 | 33,171                         | 8,918             | 42,089            |
| 2055 - 2059                 | 34,608                         | 6,187             | 40,795            |
| 2060 - 2064                 | 19,332                         | 4,320             | 23,652            |
| 2065 - 2069                 | 20,943                         | 242               | 21,185            |
| 2070 - 2074                 | 23,901                         | 1,827             | 25,728            |
| 2075 - 2079                 | 11,781                         | 893               | 12,674            |
| 2080 - 2084                 | 836                            | 709               | 1,545             |
| 2085 - 2089                 | 849                            | 137               | 986               |
| 2090 - 2094                 | 1,014                          | 96                | 1,110             |
| 2095 - 2099                 | 1,127                          | 47                | 1,174             |
| 2100 - 2104                 | 369                            | 7,755             | 8,124             |
| Total                       | <u>\$ 300,481</u>              | <u>\$ 117,227</u> | <u>\$ 417,708</u> |



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 RECEIVABLES (CONTINUED)**

**Leases Receivable (Continued)**

| <u>Year Ending June 30,</u> | Business-Type Activities |                  |                   |
|-----------------------------|--------------------------|------------------|-------------------|
|                             | Principal                | Interest         | Total             |
| 2025                        | \$ 6,737                 | \$ 1,532         | \$ 8,269          |
| 2026                        | 6,351                    | 1,386            | 7,737             |
| 2027                        | 5,033                    | 1,249            | 6,282             |
| 2028                        | 4,860                    | 1,130            | 5,990             |
| 2029                        | 4,497                    | 1,018            | 5,515             |
| 2030 - 2034                 | 18,305                   | 3,812            | 22,117            |
| 2035 - 2039                 | 17,562                   | 3,266            | 20,828            |
| 2040 - 2044                 | 18,463                   | 2,993            | 21,456            |
| 2045 - 2049                 | 15,888                   | 2,893            | 18,781            |
| 2050 - 2054                 | 246                      | 32               | 278               |
| 2055 - 2059                 | 121                      | 15               | 136               |
| 2060 - 2064                 | 103                      | 4                | 107               |
| Total                       | <u>\$ 98,166</u>         | <u>\$ 19,330</u> | <u>\$ 117,496</u> |

| <u>Year Ending June 30,</u> | Discretely Presented Component Units |              |                 |
|-----------------------------|--------------------------------------|--------------|-----------------|
|                             | Principal                            | Interest     | Total           |
| 2025                        | \$ 686                               | \$ 4         | \$ 690          |
| 2026                        | 654                                  | 12           | 666             |
| 2027                        | 566                                  | -            | 566             |
| 2028                        | 566                                  | -            | 566             |
| 2029                        | 128                                  | -            | 128             |
| Total                       | <u>\$ 2,600</u>                      | <u>\$ 16</u> | <u>\$ 2,616</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 RECEIVABLES (CONTINUED)**

**Discrete Component Units**

The following is an analysis of the allowance for loan losses as of June 30, 2024, for the two largest discretely presented component units (expressed in thousands):

NMFA & NMMFA - Loan Loss Allowance

|                                      | NM Finance<br>Authority | NM Mortgage<br>Fin. Auth |
|--------------------------------------|-------------------------|--------------------------|
| Beginning Balance                    | \$ 21,826               | \$ 9,540                 |
| Provision for Loan Losses            | 25,217                  | 7,729                    |
| Loans Written Off, Net of Recoveries | (671)                   | (1,215)                  |
| Ending Balance                       | <u>\$ 46,372</u>        | <u>\$ 16,054</u>         |

NM Finance Authority Loans have repayment terms ranging from 1 to 30 years. The stated interest rates are between 0% - 6%. 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%.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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, 2024, is as follows (expressed in thousands):

|   | Due From                   | Due To                     | Transfers<br>In             | Transfers<br>Out            |
|---|----------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>Governmental Activities:</b>                 |                            |                            |                             |                             |
| General   | \$ 283,071                 | \$ 852,266                 | \$ 5,154,522                | \$ 8,425,039                |
| Debt Service                                    | 330,587                    | -                          | 2,090,084                   | 2,650,220                   |
| Capital Projects                                | 807                        | 34,056                     | 1,907,688                   | 1,381,491                   |
| Severance Tax Permanent                         | 698                        | -                          | 1,049,718                   | 301,669                     |
| Land Grant Permanent                            | 390,494                    | -                          | 2,350,113                   | 1,377,286                   |
| Internal Service                                | -                          | -                          | 126,070                     | 10,740                      |
| Subtotal  | <u>1,005,657</u>           | <u>886,322</u>             | <u>12,678,195</u>           | <u>14,146,445</u>           |
| <b>Asset Transfers (Government-Wide Level):</b> |                            |                            |                             |                             |
| General   | -                          | -                          | 58,823                      | 4,825                       |
| Capital Projects                                | -                          | -                          | -                           | 85,230                      |
| Subtotal  | <u>-</u>                   | <u>-</u>                   | <u>58,823</u>               | <u>90,055</u>               |
| <b>Total Governmental Activities</b>            | <b>1,005,657</b>           | <b>886,322</b>             | <b>12,737,018</b>           | <b>14,236,500</b>           |
| <b>Business-Type Activities:</b>                |                            |                            |                             |                             |
| Educational Institutions                        | 50,683                     | 171,858                    | 1,622,571                   | 136,386                     |
| Nonmajor Enterprise                             | 2,346                      | 506                        | 42,010                      | 28,713                      |
| Total Business-Type Activities                  | <u>53,029</u>              | <u>172,364</u>             | <u>1,664,581</u>            | <u>165,099</u>              |
| <b>Total</b>                                    | <b><u>\$ 1,058,686</u></b> | <b><u>\$ 1,058,686</u></b> | <b><u>\$ 14,401,599</u></b> | <b><u>\$ 14,401,599</u></b> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 CAPITAL ASSETS**

Capital and right-to-use asset activity for Governmental Activities for the year ended June 30, 2024, was as follows (expressed in thousands):

|  | Beginning<br>Balance | Additions         | Deletions         | Reclass     | Transfers   | Ending<br>Balance   |
|--|----------------------|-------------------|-------------------|-------------|-------------|---------------------|
| <b>Governmental Activities:</b>  |                      |                   |                   |             |             |                     |
| Capital Assets Not Being Depreciated:                                  |                      |                   |                   |             |             |                     |
| Land and Land Improvements   | \$ 752,803           | \$ 7,293          | \$ -              | \$ -        | \$ 12,037   | \$ 772,133          |
| Construction in Progress   | 1,200,543            | 696,705           | (4,310)           | -           | (605,984)   | 1,286,954           |
| Mineral Rights   | 92,301               | -                 | -                 | -           | (44)        | 92,257              |
| Art and Other  | 928                  | -                 | -                 | -           | -           | 928                 |
| Total Capital Assets Not Being Depreciated                             | 2,046,575            | 703,998           | (4,310)           | -           | (593,991)   | 2,152,272           |
| Capital and Right-to-Use Assets Being Depreciated/Amortized:           |                      |                   |                   |             |             |                     |
| Capital Assets Being Depreciated:                                      |                      |                   |                   |             |             |                     |
| Land Improvements  | 71,863               | 9,852             | (3,463)           | -           | 2,797       | 81,049              |
| Equipment and Machinery  | 285,817              | 55,490            | (4,025)           | -           | 4,171       | 341,453             |
| Buildings and Improvements   | 2,104,976            | 28,460            | (299)             | -           | 24,904      | 2,158,041           |
| Furniture and Fixtures   | 25,801               | 4,349             | (508)             | -           | 11          | 29,653              |
| Data Processing Equipment and Software                                 | 516,969              | 45,514            | (8,761)           | -           | 1,363       | 555,085             |
| Library Books and Other  | 15,634               | 344               | -                 | -           | (2,427)     | 13,551              |
| Vehicles   | 383,866              | 43,915            | (18,881)          | -           | 2,642       | 411,542             |
| Infrastructure   | 11,158,961           | 9,884             | (1,314,043)       | -           | 560,779     | 10,415,581          |
| Right-to-Use Assets Being Amortized:                                   |                      |                   |                   |             |             |                     |
| Buildings and Improvements   | 605,321              | 61,818            | (8,760)           | -           | -           | 658,379             |
| Aircraft, Autos, and Trucks  | 12,690               | 2,579             | (1,063)           | -           | -           | 14,206              |
| Equipment and Machinery  | 11,416               | 2,802             | (1,276)           | -           | -           | 12,942              |
| Information Technology   | 389                  | -                 | -                 | -           | -           | 389                 |
| Lease Asset - Right-to-Use - Depreciable                               | 4,800                | 2,642             | (149)             | -           | -           | 7,293               |
| Subscriptions  | 26,668               | 22,817            | (3,967)           | -           | -           | 45,518              |
| Subtotal   | 15,225,169           | 290,466           | (1,365,195)       | -           | 594,240     | 14,744,680          |
| Less: Accumulated Depreciation/Amortization for:                       |                      |                   |                   |             |             |                     |
| Accumulated Depreciation for Capital Assets:                           |                      |                   |                   |             |             |                     |
| Land Improvements  | (40,997)             | (2,015)           | 5,930             | -           | (252)       | (37,334)            |
| Equipment and Machinery  | (161,137)            | (25,626)          | 5,444             | -           | 99          | (181,220)           |
| Buildings and Improvements   | (1,221,193)          | (59,053)          | 774               | -           | 2           | (1,279,470)         |
| Furniture and Fixtures   | (18,494)             | (1,556)           | 752               | -           | (26)        | (19,324)            |
| Data Processing Equipment and Software                                 | (353,740)            | (34,852)          | 8,904             | -           | 45          | (379,643)           |
| Library Books and Other  | (1,958)              | (5,637)           | -                 | -           | (8)         | (7,603)             |
| Vehicles   | (302,717)            | (26,395)          | 18,765            | -           | (113)       | (310,460)           |
| Infrastructure   | (6,702,823)          | (296,759)         | 1,315,040         | -           | 4           | (5,684,538)         |
| Accumulated Amortization for Right-to-Use Assets:                      |                      |                   |                   |             |             |                     |
| Buildings and Improvements   | (107,173)            | (56,795)          | 4,435             | -           | -           | (159,533)           |
| Aircraft, Autos, and Trucks  | (6,080)              | (3,134)           | 1,055             | -           | -           | (8,159)             |
| Equipment and Machinery  | (4,549)              | (3,214)           | 1,223             | -           | -           | (6,540)             |
| Information Technology   | (165)                | (98)              | -                 | -           | -           | (263)               |
| Subscriptions  | (8,394)              | (12,997)          | 2,819             | -           | -           | (18,572)            |
| Subtotal   | (8,929,420)          | (528,131)         | 1,365,141         | -           | (249)       | (8,092,659)         |
| Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net | 6,295,749            | (237,665)         | (54)              | -           | 593,991     | 6,652,021           |
| Total Governmental Activities Capital Assets, Net                      | <u>\$ 8,342,324</u>  | <u>\$ 466,333</u> | <u>\$ (4,364)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,804,293</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

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

|   |    |                |
|---|----|----------------|
| General Control                         | \$ | 81,090         |
| Education                               |    | 3,840          |
| Health and Human Services               |    | 35,323         |
| Highways and Transportation             |    | 313,975        |
| Culture, Recreation, and Nat. Resources |    | 22,938         |
| Judicial                                |    | 20,074         |
| Legislative                             |    | 2,225          |
| Public Safety                           |    | 40,746         |
| Regulation and Licensing                |    | 7,920          |
| Total                                   | \$ | <u>528,131</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

Capital and right-to-use asset activity for Business-Type Activities for the year ended June 30, 2024, was as follows (expressed in thousands):

|   | Beginning<br>Balance | Additions         | Deletions          | Reclass     | Transfers   | Ending<br>Balance   |
|---|----------------------|-------------------|--------------------|-------------|-------------|---------------------|
| <b>Business-Type Activities:</b>  |                      |                   |                    |             |             |                     |
| Capital Assets Not Being Depreciated:                                     |                      |                   |                    |             |             |                     |
| Land and Land Improvements  | \$ 117,972           | \$ 2,749          | \$ -               | \$ -        | \$ -        | \$ 120,721          |
| Construction in Progress  | 567,989              | 311,545           | (18,697)           | (131,740)   | -           | 729,097             |
| Art and Other   | 2,685                | 395               | -                  | -           | -           | 3,080               |
| Total Capital Assets Not Being Depreciated                                | 688,646              | 314,689           | (18,697)           | (131,740)   | -           | 852,898             |
| Capital and Right-to-Use Assets Being<br>Depreciated/Amortized:           |                      |                   |                    |             |             |                     |
| Capital Assets Being Depreciated:   |                      |                   |                    |             |             |                     |
| Land Improvements   | 167,913              | 974               | -                  | 25,771      | -           | 194,658             |
| Equipment and Machinery   | 1,091,401            | 79,472            | (25,266)           | 14,440      | -           | 1,160,047           |
| Buildings and Improvements  | 3,911,881            | 25,083            | (9,398)            | 70,954      | -           | 3,998,520           |
| Furniture and Fixtures  | 401                  | -                 | (21)               | -           | -           | 380                 |
| Data Processing Equipment and Software                                    | 22,798               | 112               | (176)              | -           | -           | 22,734              |
| Library Books and Other   | 364,853              | 9,179             | (378)              | -           | -           | 373,654             |
| Vehicles  | 8,317                | 1,251             | (100)              | -           | -           | 9,468               |
| Infrastructure  | 373,036              | 897               | -                  | 20,575      | -           | 394,508             |
| Right-to-Use Assets Being Amortized:                                      |                      |                   |                    |             |             |                     |
| Land Improvements   | 106                  | -                 | -                  | -           | -           | 106                 |
| Buildings and Improvements  | 75,998               | 7,701             | (14,084)           | -           | -           | 69,615              |
| Equipment and Machinery   | 6,742                | 2,731             | (71)               | -           | -           | 9,402               |
| Lease Asset - Right-to-Use - Depreciable                                  | 6,003                | 2,232             | (3,388)            | -           | -           | 4,847               |
| Subscriptions   | 105,570              | 18,271            | (1,561)            | -           | -           | 122,280             |
| Subtotal  | 6,135,019            | 147,903           | (54,443)           | 131,740     | -           | 6,360,219           |
| Less: Accumulated Depreciation/Amortization for:                          |                      |                   |                    |             |             |                     |
| Accumulated Depreciation for Capital Assets:                              |                      |                   |                    |             |             |                     |
| Land Improvements   | (152,002)            | (10,062)          | -                  | -           | -           | (162,064)           |
| Equipment and Machinery   | (821,321)            | (61,837)          | 24,871             | -           | -           | (858,287)           |
| Buildings and Improvements  | (1,945,636)          | (97,708)          | 5,491              | -           | -           | (2,037,853)         |
| Furniture and Fixtures  | (364)                | (7)               | 21                 | -           | -           | (350)               |
| Data Processing Equipment and Software                                    | (17,349)             | (133)             | 174                | -           | -           | (17,308)            |
| Library Books and Other   | (325,376)            | (10,188)          | 268                | -           | -           | (335,296)           |
| Vehicles  | (5,864)              | (554)             | 99                 | -           | -           | (6,319)             |
| Infrastructure  | (272,020)            | (12,047)          | -                  | -           | -           | (284,067)           |
| Accumulated Amortization for Right-to-Use Assets:                         |                      |                   |                    |             |             |                     |
| Lease Asset - Right-to-Use - Depreciable                                  | (3,444)              | (2,732)           | 3,286              | -           | -           | (2,890)             |
| Land Improvements   | (79)                 | -                 | -                  | -           | -           | (79)                |
| Buildings and Improvements  | (24,861)             | (8,281)           | 1,138              | -           | -           | (32,004)            |
| Equipment and Machinery   | (3,859)              | (1,791)           | 33                 | -           | -           | (5,617)             |
| Subscriptions   | (44,779)             | (26,001)          | 900                | -           | -           | (69,880)            |
| Subtotal  | (3,616,956)          | (231,341)         | 36,281             | -           | -           | (3,812,016)         |
| Total Capital and Right-to-Use Assets<br>Being Depreciated/Amortized, Net | 2,518,063            | (83,438)          | (18,162)           | 131,740     | -           | 2,548,203           |
| Total Business-Type Activities Capital<br>Assets, Net                     | <u>\$ 3,206,709</u>  | <u>\$ 231,251</u> | <u>\$ (36,859)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,401,101</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

Capital and right-to-use asset activity for Fiduciary Funds for the year ended June 30, 2024, was as follows (expressed in thousands):

|   | Beginning<br>Balance | Additions       | Deletions   | Reclass     | Transfers   | Ending<br>Balance |
|---|----------------------|-----------------|-------------|-------------|-------------|-------------------|
| <b>Fiduciary Funds:</b>   |                      |                 |             |             |             |                   |
| Capital Assets Not Being Depreciated:                                     |                      |                 |             |             |             |                   |
| Land and Land Improvements  | \$ 2,793             | \$ -            | \$ -        | \$ -        | \$ -        | \$ 2,793          |
| Construction in Progress  | -                    | 8,953           | -           | -           | -           | 8,953             |
| Art and Other   | 31                   | -               | -           | -           | -           | 31                |
| Total Capital Assets Not Being Depreciated                                | 2,824                | 8,953           | -           | -           | -           | 11,777            |
| Capital and Right-to-Use Assets Being<br>Depreciated/Amortized:           |                      |                 |             |             |             |                   |
| Capital Assets Being Depreciated:   |                      |                 |             |             |             |                   |
| Land Improvements   | 19                   | -               | -           | -           | -           | 19                |
| Equipment and Machinery   | 259                  | 286             | -           | -           | -           | 545               |
| Buildings and Improvements  | 16,082               | -               | -           | -           | -           | 16,082            |
| Furniture and Fixtures  | 1,252                | -               | (421)       | -           | -           | 831               |
| Data Processing Equipment and Software                                    | 24,811               | 292             | -           | -           | -           | 25,103            |
| Vehicles  | 57                   | -               | (11)        | -           | -           | 46                |
| Right-to-Use Assets Being Amortized:                                      |                      |                 |             |             |             |                   |
| Buildings and Improvements  | 4,757                | 256             | -           | -           | -           | 5,013             |
| Equipment and Machinery   | 223                  | 105             | (30)        | -           | -           | 298               |
| Subscriptions   | 113                  | 1,776           | -           | -           | -           | 1,889             |
| Subtotal  | 47,573               | 2,715           | (462)       | -           | -           | 49,826            |
| Less: Accumulated Depreciation/Amortization for:                          |                      |                 |             |             |             |                   |
| Accumulated Depreciation for Capital Assets:                              |                      |                 |             |             |             |                   |
| Land Improvements   | (1,586)              | (257)           | -           | -           | -           | (1,843)           |
| Equipment and Machinery   | (18)                 | (13)            | -           | -           | -           | (31)              |
| Buildings and Improvements  | (8,139)              | (514)           | -           | -           | -           | (8,653)           |
| Furniture and Fixtures  | (1,209)              | -               | 421         | -           | -           | (788)             |
| Data Processing Equipment and Software                                    | (22,450)             | (215)           | -           | -           | -           | (22,665)          |
| Vehicles  | (57)                 | -               | 11          | -           | -           | (46)              |
| Accumulated Amortization for Right-to-Use Assets:                         |                      |                 |             |             |             |                   |
| Buildings and Improvements  | (492)                | (120)           | -           | -           | -           | (612)             |
| Equipment and Machinery   | (353)                | (323)           | 30          | -           | -           | (646)             |
| Subscriptions   | (24)                 | (409)           | -           | -           | -           | (433)             |
| Subtotal  | (34,328)             | (1,851)         | 462         | -           | -           | (35,717)          |
| Total Capital and Right-to-Use Assets<br>Being Depreciated/Amortized, Net | 13,245               | 864             | -           | -           | -           | 14,109            |
| Total Fiduciary Funds Capital Assets, Net                                 | <u>\$ 16,069</u>     | <u>\$ 9,817</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 25,886</u>  |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

Capital and right-to-use asset activity for Component Units for the year ended June 30, 2024, was as follows (expressed in thousands):

|   | Beginning<br>Balance | Additions  | Deletions   | Reclass | Transfers | Ending<br>Balance |
|---|----------------------|------------|-------------|---------|-----------|-------------------|
| <b>Component Units:</b>   |                      |            |             |         |           |                   |
| Capital Assets Not Being Depreciated:                                     |                      |            |             |         |           |                   |
| Land and Land Improvements  | \$ 34,252            | \$ 7,835   | \$ (425)    | \$ -    | \$ -      | \$ 41,662         |
| Construction Work in Progress   | 30,871               | 12,099     | (24,734)    | -       | -         | 18,236            |
| Mineral Rights  | 30                   | -          | -           | -       | -         | 30                |
| Art and Other   | 25,526               | 2,780      | (8)         | -       | -         | 28,298            |
| Total Capital Assets Not Being Depreciated                                | 90,679               | 22,714     | (25,167)    | -       | -         | 88,226            |
| Capital and Right-to-Use Assets Being<br>Depreciated/Amortized:           |                      |            |             |         |           |                   |
| Capital Assets Being Depreciated:   |                      |            |             |         |           |                   |
| Buildings and Improvements  | 203,258              | 65,694     | (3)         | -       | -         | 268,949           |
| Leasehold Improvements  | 3,760                | 627        | -           | -       | -         | 4,387             |
| Infrastructure  | 20,081               | -          | -           | -       | -         | 20,081            |
| Aircrafts   | 105                  | -          | -           | -       | -         | 105               |
| Vehicles  | 4,808                | 919        | (30)        | -       | -         | 5,697             |
| Machinery and Equipment   | 19,373               | 18         | (26)        | -       | -         | 19,365            |
| Data Processing Equipment and Software                                    | 4,296                | 390        | (375)       | -       | -         | 4,311             |
| Furniture and Fixtures  | 17,881               | 7,070      | (367)       | -       | -         | 24,584            |
| Library Books and Other   | 316                  | -          | (188)       | -       | -         | 128               |
| Right-to-Use Assets Being Amortized:                                      |                      |            |             |         |           |                   |
| Buildings and Improvements  | 57,548               | 27,187     | (37,130)    | -       | -         | 47,605            |
| Aircraft, Autos, and Trucks   | 647                  | -          | -           | -       | -         | 647               |
| Equipment and Machinery   | 2,176                | 326        | (225)       | -       | -         | 2,277             |
| Subscriptions   | 1,139                | 1,653      | (1,213)     | -       | (216)     | 1,363             |
| Subtotal  | 335,388              | 103,884    | (39,557)    | -       | (216)     | 399,499           |
| Less: Accumulated Depreciation/Amortization for:                          |                      |            |             |         |           |                   |
| Accumulated Depreciation for Capital Assets:                              |                      |            |             |         |           |                   |
| Buildings and Improvements  | (35,171)             | (9,160)    | 3,422       | -       | -         | (40,909)          |
| Infrastructure  | (12,661)             | -          | -           | -       | -         | (12,661)          |
| Vehicles  | (3,086)              | (321)      | 30          | -       | -         | (3,377)           |
| Equipment and Machinery   | (11,453)             | (159)      | 24          | -       | -         | (11,588)          |
| Leasehold Improvements  | (1,019)              | (386)      | -           | -       | -         | (1,405)           |
| Data Processing Equipment and Software                                    | (3,092)              | (601)      | 375         | -       | -         | (3,318)           |
| Furniture and Fixtures  | (9,955)              | (2,577)    | 422         | -       | -         | (12,110)          |
| Library Books and Other   | (316)                | -          | 188         | -       | -         | (128)             |
| Accumulated Amortization for Right-to-Use Assets:                         |                      |            |             |         |           |                   |
| Buildings and Improvements  | (12,085)             | (9,910)    | 5,674       | -       | -         | (16,321)          |
| Aircraft, Autos, and Trucks   | (15)                 | (129)      | -           | -       | -         | (144)             |
| Equipment and Machinery   | (617)                | (493)      | 170         | -       | -         | (940)             |
| Subscriptions   | (236)                | (292)      | -           | -       | 216       | (312)             |
| Subtotal  | (89,706)             | (24,028)   | 10,305      | -       | 216       | (103,213)         |
| Total Capital and Right-to-Use Assets<br>Being Depreciated/Amortized, Net | 245,682              | 79,856     | (29,252)    | -       | -         | 296,286           |
| Total Component Units Capital Assets, Net                                 | \$ 336,361           | \$ 102,570 | \$ (54,419) | \$ -    | \$ -      | \$ 384,512        |



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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, 2024, the deferred outflow of resources for governmental activities and business-type activities were as follows (expressed in thousands):

Deferred Charge on Refunding

|                   | Governmental     | Business-Type   |
|-------------------|------------------|-----------------|
| Beginning Balance | \$ 21,497        | \$ 8,406        |
| Deletions         | (5,594)          | (815)           |
| Ending Balance    | <u>\$ 15,903</u> | <u>\$ 7,591</u> |

**B. Interest Rate Swaps**

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

**NOTE 8 LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended June 30, 2024, are presented in the following table (expressed in thousands). As referenced below, certain long-term liabilities are discussed in other Notes to the Financial Statements.

|  | Beginning<br>Balance | Additions         | Deletions             | Ending<br>Balance   | Amounts<br>Due Within<br>One Year | Long-Term<br>Debt   |
|--|----------------------|-------------------|-----------------------|---------------------|-----------------------------------|---------------------|
| Governmental Activities:                   |                      |                   |                       |                     |                                   |                     |
| General Obligation Bonds                   | \$ 541,270           | \$ -              | \$ (94,100)           | \$ 447,170          | \$ 99,355                         | \$ 347,815          |
| Severance Tax Bonds                        | 1,268,165            | -                 | (177,070)             | 1,091,095           | 166,340                           | 924,755             |
| Revenue Bonds and Loans Payable            | 908,875              | -                 | (171,170)             | 737,705             | 97,514                            | 640,191             |
| Net Unamortized Premiums, Discounts        | 309,549              | -                 | (65,663)              | 243,886             | 55,775                            | 188,111             |
| Subtotal                                   | 3,027,859            | -                 | (508,003)             | 2,519,856           | 418,984                           | 2,100,872           |
| Insurance Claims Payable                   | 235,940              | 770,611           | (528,546)             | 478,005             | 236,632                           | 241,373             |
| Contingent Liabilities                     | -                    | 29,792            | -                     | 29,792              | -                                 | 29,792              |
| Compensated Absences                       | 101,383              | 90,817            | (81,777)              | 110,423             | 94,384                            | 16,039              |
| Native American Water Settlement Liability | 46,757               | -                 | (23,004)              | 23,753              | -                                 | 23,753              |
| Pollution Remediation Obligation           | 53,733               | 7,037             | (2,434)               | 58,336              | 1,746                             | 56,590              |
| Lease Liabilities                          | 529,020              | 69,439            | (61,749)              | 536,710             | 55,945                            | 480,765             |
| Subscription                               | 17,090               | 22,676            | (17,610)              | 22,156              | 8,263                             | 13,893              |
| Subtotal                                   | 983,923              | 990,372           | (715,120)             | 1,259,175           | 396,970                           | 862,205             |
| Total Governmental Long-Term Liabilities   | <u>\$ 4,011,782</u>  | <u>\$ 990,372</u> | <u>\$ (1,223,123)</u> | <u>\$ 3,779,031</u> | <u>\$ 815,954</u>                 | <u>\$ 2,963,077</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

|  | Beginning<br>Balance | Additions           | Deletions             | Ending<br>Balance   | Amounts<br>Due Within<br>One Year | Long-Term<br>Debt   |
|--|----------------------|---------------------|-----------------------|---------------------|-----------------------------------|---------------------|
| <b>Business-Type Activities:</b>             |                      |                     |                       |                     |                                   |                     |
| General Obligation Bonds                     | \$ 19,730            | \$ -                | \$ (1,455)            | \$ 18,275           | \$ 1,405                          | \$ 16,870           |
| Revenue Bonds                                | 652,739              | -                   | (47,456)              | 605,283             | 49,770                            | 555,513             |
| Bond Premium, Discount, Net                  | 27,257               | -                   | (3,313)               | 23,944              | 24                                | 23,920              |
| Subtotal                                     | 699,726              | -                   | (52,224)              | 647,502             | 51,199                            | 596,303             |
| Compensated Absences                         | 112,446              | 98,135              | (93,684)              | 116,897             | 94,571                            | 22,326              |
| Reserve for Losses                           | 110,900              | 20,715              | -                     | 131,615             | 27,007                            | 104,608             |
| Notes Payable                                | 11,993               | -                   | (2,443)               | 9,550               | 2,585                             | 6,965               |
| Insurance Claims Payable                     | 8,151                | 4,042               | -                     | 12,193              | 12,193                            | -                   |
| Mortgages Payable                            | 261,355              | 110,719             | (6,027)               | 366,047             | 12,434                            | 353,613             |
| Lease Liabilities                            | 66,109               | 19,155              | (29,677)              | 55,587              | 14,211                            | 41,376              |
| Subscription                                 | 53,747               | 9,490               | (19,978)              | 43,259              | 14,922                            | 28,337              |
| Derivative Instruments - Interest Rate Swaps | 1,059                | -                   | (496)                 | 563                 | -                                 | 563                 |
| Student Loans                                | 8,421                | 161                 | (891)                 | 7,691               | -                                 | 7,691               |
| Environmental Cleanup                        | 5,434                | -                   | -                     | 5,434               | -                                 | 5,434               |
| Subtotal                                     | 639,615              | 262,417             | (153,196)             | 748,836             | 177,923                           | 570,913             |
| Total Business-Type Long-Term Liabilities    | <u>\$ 1,339,341</u>  | <u>\$ 262,417</u>   | <u>\$ (205,420)</u>   | <u>\$ 1,396,338</u> | <u>\$ 229,122</u>                 | <u>\$ 1,167,216</u> |
| <b>Fiduciary:</b>                            |                      |                     |                       |                     |                                   |                     |
| Pension Trust Funds:                         |                      |                     |                       |                     |                                   |                     |
| Reserve for Losses                           | \$ 21,978            | \$ -                | \$ (2,718)            | \$ 19,260           | \$ -                              | \$ 19,260           |
| Lease Liabilities                            | 4,388                | 361                 | (463)                 | 4,286               | 235                               | 4,051               |
| Subscriptions                                | -                    | 1,771               | (351)                 | 1,420               | 579                               | 841                 |
| Compensated Absences                         | 1,255                | 853                 | (761)                 | 1,347               | 1,347                             | -                   |
| Total Fiduciary Long-Term Liabilities        | <u>\$ 27,621</u>     | <u>\$ 2,985</u>     | <u>\$ (4,293)</u>     | <u>\$ 26,313</u>    | <u>\$ 2,161</u>                   | <u>\$ 24,152</u>    |
| <b>Component Units:</b>                      |                      |                     |                       |                     |                                   |                     |
| Revenue Bonds                                | \$ 2,987,972         | \$ 762,686          | \$ (229,515)          | \$ 3,521,143        | \$ 165,208                        | \$ 3,355,935        |
| Bond Premium, Discount, Net                  | 241,970              | 9,885               | (276)                 | 251,579             | 42,639                            | 208,940             |
| Subtotal                                     | 3,229,942            | 772,571             | (229,791)             | 3,772,722           | 207,847                           | 3,564,875           |
| Compensated Absences                         | 2,160                | 1,353               | (1,248)               | 2,265               | 2,265                             | -                   |
| Notes Payable                                | 228,459              | 1,273,460           | (1,309,660)           | 192,259             | 79,103                            | 113,156             |
| Loans Payable                                | 207                  | -                   | (207)                 | -                   | -                                 | -                   |
| Lease Liabilities                            | 49,651               | 25,509              | (40,183)              | 34,977              | 9,119                             | 25,858              |
| Subscription Liabilities                     | 717                  | 1,465               | (2,029)               | 153                 | 108                               | 45                  |
| Subtotal                                     | 281,194              | 1,301,787           | (1,353,327)           | 229,654             | 90,595                            | 139,059             |
| Total Component Unit Long-Term Liabilities   | <u>\$ 3,511,136</u>  | <u>\$ 2,074,358</u> | <u>\$ (1,583,118)</u> | <u>\$ 4,002,376</u> | <u>\$ 298,442</u>                 | <u>\$ 3,703,934</u> |

**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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**A. General Obligation Bonds (Continued)**

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

| General Obligation Bonds Payable<br>(Expressed in Thousands) |             |               |               |                |                       |                  |
|--|-------------|---------------|---------------|----------------|-----------------------|------------------|
| Bond Issue   | Date Issued | Maturity Date | Interest Rate | Original Issue | Balance June 30, 2024 | Due in One Year  |
| Series 2015  | 3/25/15     | 2025          | 5.00 %        | \$ 141,635     | \$ 17,560             | \$ 17,560        |
| Series 2017A   | 8/1/17      | 2027          | 5.00          | 148,520        | 58,790                | 17,915           |
| Series 2017B   | 8/1/17      | 2025          | 5.00          | 151,790        | 16,175                | 16,175           |
| Series 2019  | 7/30/19     | 2029          | 5.00          | 139,985        | 44,440                | 10,930           |
| Series 2021  | 5/27/21     | 2031          | 5.00          | 166,675        | 105,775               | 18,290           |
| Series 2023  | 4/27/23     | 2033          | 5.00          | 223,710        | 204,430               | 18,485           |
| Total General Obligation Bonds Payable                       |             |               |               |                | <u>\$ 447,170</u>     | <u>\$ 99,355</u> |

| General Obligation Bond Premium Outstanding<br>(Expressed in Thousands) |             |               |               |                |                       |                  |
|---|-------------|---------------|---------------|----------------|-----------------------|------------------|
| Bond Issue  | Date Issued | Maturity Date | Interest Rate | Original Issue | Balance June 30, 2024 | Due in One Year  |
| Series 2015   | 3/25/15     | 2025          | 5.00 %        | \$ 26,120      | \$ 191                | \$ 191           |
| Series 2017A  | 8/1/17      | 2027          | 5.00          | 26,897         | 2,275                 | 1,310            |
| Series 2017B  | 8/1/17      | 2025          | 5.00          | 23,160         | 280                   | 280              |
| Series 2019   | 7/30/19     | 2029          | 5.00          | 17,947         | 4,371                 | 1,610            |
| Series 2021   | 5/27/21     | 2031          | 5.00          | 32,869         | 15,928                | 4,298            |
| Series 2023   | 4/27/23     | 2033          | 5.00          | 35,178         | 27,026                | 5,745            |
| Total General Obligation Bond Premium Outstanding                       |             |               |               |                | <u>\$ 50,071</u>      | <u>\$ 13,434</u> |

General Obligation Bonds  
Debt Service Requirements to Maturity  
(Expressed in Thousands)

| Fiscal Year Ending June 30, | Principal         | Interest         | Total             |
|-----------------------------|-------------------|------------------|-------------------|
| 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                        | 51,870            | 8,547            | 60,417            |
| 2030 - 2034                 | 119,075           | 14,421           | 133,496           |
| Total                       | <u>\$ 447,170</u> | <u>\$ 87,904</u> | <u>\$ 535,074</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**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, 2024, 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.

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, 2024 | Due in One Year   |
|-----------------------------------|-------------|---------------|---------------|----------------|-----------------------|-------------------|
| Series 2015A                      | 8/12/2015   | 2026          | 5.00 %        | \$ 129,195     | \$ 35,530             | \$ 17,320         |
| Series 2015B Supplemental         | 8/12/2015   | 2026          | 5.00          | 69,745         | 17,365                | 8,465             |
| Series 2016A                      | 6/23/2016   | 2027          | 3.00 - 5.00   | 78,750         | 43,220                | 13,690            |
| Series 2016B                      | 6/23/2016   | 2025          | 4.00          | 181,395        | 20,550                | 20,550            |
| Series 2016D                      | 12/6/2016   | 2028          | 5.00          | 26,725         | 19,655                | 2,455             |
| Series 2017A                      | 8/8/2017    | 2028          | 5.00          | 69,470         | 33,920                | 8,225             |
| Series 2018A                      | 6/28/2018   | 2029          | 5.00          | 122,560        | 69,945                | 12,625            |
| Series 2020A                      | 11/3/2020   | 2031          | 5.00          | 94,735         | 74,745                | 9,260             |
| Series 2021A                      | 6/29/2022   | 2032          | 5.00          | 317,170        | 265,755               | 27,705            |
| Series 2022A                      | 6/29/2022   | 2033          | 5.00          | 260,900        | 240,280               | 21,675            |
| Series 2022B                      | 10/11/2022  | 2033          | 5.00          | 293,310        | 270,130               | 24,370            |
| Total Severance Tax Bonds Payable |             |               |               |                | <u>\$ 1,091,095</u>   | <u>\$ 166,340</u> |

Severance Tax Bond Premium Outstanding  
*(Expressed in Thousands)*

| Bond Issue                               | Date Issued | Maturity Date | Interest Rate | Original Issue | Balance June 30, 2024 | Due in One Year  |
|--|-------------|---------------|---------------|----------------|-----------------------|------------------|
| Series 2015A                             | 8/12/2015   | 2026          | 5.00 %        | \$ 23,121      | \$ 283                | \$ 283           |
| Series 2015 B Supplemental               | 8/12/2015   | 2026          | 5.00          | 11,428         | 140                   | 140              |
| Series 2016 A                            | 6/23/2016   | 2027          | 3.00 - 5.00   | 19,770         | 867                   | 626              |
| Series 2016 D                            | 12/6/2016   | 2028          | 5.00          | 5,379          | 466                   | 250              |
| Series 2017A                             | 8/8/2017    | 2028          | 5.00          | 13,280         | 1,263                 | 680              |
| Series 2018A                             | 6/28/2018   | 2029          | 5.00          | 17,619         | 2,922                 | 1,246            |
| Series 2020A                             | 11/3/2020   | 2031          | 5.00          | 22,589         | 8,688                 | 2,606            |
| Series 2021A                             | 6/29/2021   | 2032          | 5.00          | 74,551         | 36,912                | 9,637            |
| Series 2022A                             | 6/29/2022   | 2033          | 5.00          | 31,097         | 20,024                | 4,634            |
| Series 2022B                             | 10/11/2022  | 2033          | 5.00          | 35,178         | 16,167                | 3,735            |
| Total Severance Tax Bond Premium Payable |             |               |               |                | <u>\$ 87,732</u>      | <u>\$ 23,837</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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<br>Debt Service Requirements to Maturity<br>(Expressed in Thousands) |                     |                   |                     |
|--|---------------------|-------------------|---------------------|
| <u>Fiscal Year Ending June 30,</u>   | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
| 2024   | \$ 166,340          | \$ 50,294         | \$ 216,634          |
| 2025   | 155,820             | 42,342            | 198,162             |
| 2026   | 134,965             | 35,073            | 170,038             |
| 2027   | 125,690             | 28,556            | 154,246             |
| 2028   | 116,640             | 22,498            | 139,138             |
| 2029 - 2033  | 391,640             | 36,155            | 427,795             |
| Total  | <u>\$ 1,091,095</u> | <u>\$ 214,918</u> | <u>\$ 1,306,013</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 2024, short-term notes were sold and redeemed as follows (expressed in thousands):

|              | <u>Beginning<br/>Balance</u> | <u>Issued</u>       | <u>Redeemed</u>       | <u>Ending<br/>Balance</u> |
|--------------|------------------------------|---------------------|-----------------------|---------------------------|
| Sponge Bonds | <u>\$ -</u>                  | <u>\$ 1,505,715</u> | <u>\$ (1,505,715)</u> | <u>\$ -</u>               |

**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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**D. Revenue Bonds (Continued)**

Revenue bonds payable are as follows:

Governmental Activities

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

| Bond Issue   | Original<br>Issue | Maturity<br>Date | Interest<br>Rate | Balance<br>June 30,<br>2024 | Due in<br>One Year |
|--|-------------------|------------------|------------------|-----------------------------|--------------------|
| The following are direct borrowings, loans issued by NM Finance Authority to various departments of the State based on the bonds issued:   |                   |                  |                  |                             |                    |
| 2015A PPRF - Metro Court   | \$ 30,685         | 2025             | 4.00 - 5.00 %    | \$ 3,750                    | \$ 3,750           |
| Series 2021 Spaceport Public Project   | 35,439            | 2030             | 0.77             | 22,530                      | 4,445              |
| 2016C PPRF 3445 - General Services Dept. 8   | 37,320            | 2036             | 1.90 - 4.90      | 27,205                      | 1,780              |
| 2018C1 PPRF - General Services Dept. - 4717A   | 11,510            | 2039             | 4.00 - 5.00      | 11,510                      | -                  |
| 2018C2 PPRF - General Services Dept. - 4717B   | 7,040             | 2038             | 2.77 - 4.09      | 6,830                       | 80                 |
| 2018A PPRF - General Services Dept. - 4431   | 28,480            | 2036             | 4.00 - 5.00      | 21,445                      | 1,385              |
| PPRF - 4955 - GSD Energy Efficiency  | 11,500            | 2033             | 2.90 - 3.90      | 9,425                       | 795                |
| PPRF - 2668 -DOH 9 - Las Vegas Med. Ctr.   | 8,975             | 2037             | 3.80             | 7,500                       | 59                 |
| PPRF - 4432 - Cig. Tax Ref. Bonds  | 5,120             | 2028             | 5.00             | 2,080                       | 510                |
| PPRF - 4769 - Ft. Bayard Med. Ctr.   | 48,635            | 2039             | 5.00             | 39,530                      | 2,015              |
| Total Direct Borrowings  |                   |                  |                  | 151,805                     | 14,819             |
| The following Revenue Bonds are direct placements, issued by the State Department of Transportation (DOT) with the assistance of NMFA acting in an agency capacity on behalf of DOT: |                   |                  |                  |                             |                    |
| Series 2014 A Revenue  | 70,110            | 2032             | 5.00             | 55,575                      | 5,695              |
| Series 2014 B Revenue  | 79,405            | 2027             | 5.00             | 67,740                      | 2,015              |
| Series 2018 A Refunding  | 420,090           | 2030             | 5.00             | 178,955                     | 21,655             |
| Series 2020 A Refunding  | 63,180            | 2025             | 5.00             | 6,715                       | 6,715              |
| Series 2021 A Refunding  | 234,600           | 2030             | 5.00             | 234,600                     | 24,795             |
| Series 2022 A Refunding  | 47,240            | 2026             | 5.00             | 42,315                      | 20,845             |
| Total Direct Placements  |                   |                  |                  | 585,900                     | 81,720             |
| Total Revenue Bonds and Loans,<br>Governmental Activities  |                   |                  |                  | <u>\$ 737,705</u>           | <u>\$ 96,539</u>   |

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  
*(Expressed in Thousands)*

| Fiscal Year Ending June 30, | Principal         | Interest          | Total             |
|-----------------------------|-------------------|-------------------|-------------------|
| 2025                        | \$ 96,550         | \$ 35,165         | \$ 131,715        |
| 2026                        | 97,221            | 30,551            | 127,772           |
| 2027                        | 113,170           | 25,901            | 139,071           |
| 2028                        | 107,864           | 20,469            | 128,333           |
| 2029                        | 113,420           | 15,301            | 128,721           |
| 2030 - 2034                 | 166,121           | 22,437            | 188,558           |
| 2035 - 2039                 | 43,359            | 5,600             | 48,959            |
| Total                       | <u>\$ 737,705</u> | <u>\$ 155,424</u> | <u>\$ 893,129</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**D. Revenue Bonds (Continued)**

Governmental Activities (Continued)

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:

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

|                              | Payable to<br>Ext. Entities | Due to<br>NMFA | Total          |
|------------------------------|-----------------------------|----------------|----------------|
| Current:                     |                             |                |                |
| Due to NMFA                  | \$ -                        | \$ 14,819      | \$ 14,819      |
| Payable to External Entities | 81,720                      | -              | 81,720         |
| Total Current                | 81,720                      | 14,819         | 96,539         |
| Long-Term:                   |                             |                |                |
| Due to NMFA                  | -                           | 136,986        | 136,986        |
| Payable to External Entities | 504,180                     | -              | 504,180        |
| Total Long-Term              | 504,180                     | 136,986        | 641,166        |
| <br>Total                    | <br>\$ 585,900              | <br>\$ 151,805 | <br>\$ 737,705 |

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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**D. Revenue Bonds (Continued)**

Business-Type Activities

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

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

| Bond Issue   | Maturity Date | Interest Rate | Original Issue | Balance June 30, 2024 | 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      | \$ 10,960             | \$ 925          |
| System Revenue Refunding Series 2015 B   | 2026          | 0.34 - 2.44   | 6,175          | 1,210                 | -               |
| System Imp. Revenue Bonds Series 2017  | 2038          | 0.09 - 3.48   | 5,645          | 4,238                 | 256             |
| System Imp. Revenue Bonds Series 2020  | 2036          | 1.12 - 2.75   | 22,445         | 18,200                | 1,070           |
| General Obligation Bonds Series 2020   | 2030          | 0.47 - 1.25   | 3,000          | 620                   | 100             |
| System Refunding Revenue Series 2009 B   | 2035          | 5.32 - 6.07   | 14,000         | 7,635                 | 570             |
| System Refunding Revenue Series 2012   | 2034          | 0.93 - 4.26   | 19,741         | 10,020                | 835             |
| System Refunding Revenue Series 2021   | 2031          | 1.01          | 8,470          | 5,955                 | 830             |
| Series 2019A Improvement   | 2039          | 1.30 - 2.89   | 5,181          | 4,225                 | 247             |
| Series 2019B Improvement   | 2044          | 1.30 - 3.15   | 6,689          | 6,299                 | 126             |
| System Refunding & Imp. Revenue Series 2013  | 2038          | 2.10 - 5.10   | 6,755          | 3,245                 | 180             |
| System Revenue Refunding Series 2020 A   | 2038          | 2.25          | 9,000          | 7,379                 | 491             |
| System Improvement Series 2020 B   | 2045          | 2.25          | 7,631          | 6,822                 | 169             |
| Series 2022 Subordinate Lien System Improvement Bonds  | 2042          | 2.61          | 5,080          | 4,645                 | 205             |
| Loan Payable   | 2036          | 1.50 - 2.50   | 7,000          | 4,935                 | 320             |
| Bond Series 2022   | 2042          | 3.60 - 5.00   | 28,065         | 28,060                | 5               |
| 2016 A PPRF - UNM Health Sciences Ctr. - Loan  | 2025          | 1.90 - 4.90   | 26,200         | 2,970                 | 2,970           |
| UNM ADW - UNM - Green Water Project - Loan   | 2032          | 0.75          | 399            | 170                   | 20              |
| Subtotal   |               |               |                | 127,588               | 9,319           |
| 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        | 88,915                | 6,057           |
| Mortgage Loan - UNM Hospital   | 2049          | 3.28          | 276,877        | 276,877               | 6,281           |
| Total Direct Borrowings  |               |               |                | 365,792               | 12,338          |
| The following Revenue Bonds are direct placements:   |               |               |                |                       |                 |
| MCMC St. Perm. Fd. Rev. Imp. & Refunding Series 2013   | 2023          | 3.00          | 14,645         | 3,600                 | 1,170           |
| Refunding and Imp. Revenue Series 2013 A-C   | 2030          | 1.89 - 5.27   | 56,200         | 12,055                | 4,310           |
| System Imp. Revenue Series 2017 A-C  | 2042          | 1.75 - 5.00   | 73,240         | 56,630                | 3,295           |
| Refunding and Imp. Revenue Series 2019 A & B   | 2040          | 2.00 - 5.00   | 24,985         | 17,865                | 1,950           |
| Series 2013A Improvement   | 2028          | 2.00 - 4.00   | 8,935          | 2,500                 | 800             |
| System Revenue Series 2019   | 2040          | 4.00          | 8,555          | 7,900                 | 190             |
| UNM Hospital Mortgage Bond   | 2032          | 0.48 - 3.53   | 115,000        | 61,485                | 6,690           |
| Subordinate Lien System Imp. Revenue Series 2001   | 2026          | Variable      | 52,625         | 6,755                 | 3,305           |
| Subordinate Lien System Refunding Revenue Series 2002 B  | 2026          | Variable      | 25,475         | 5,455                 | 1,790           |
| Subordinate Lien System Refunding Revenue Series 2002 C  | 2030          | Variable      | 37,840         | 17,020                | 2,675           |
| Subordinate Lien System Imp. Revenue Series 2016A  | 2046          | 2.00 - 5.00   | 158,435        | 134,605               | 7,780           |
| Subordinate Lien System Imp. Revenue Series 2017   | 2047          | 3.25 - 5.00   | 40,900         | 36,055                | 890             |
| Subordinate Lien System Imp. Revenue Series 2019   | 2032          | 1.85 - 3.02   | 22,140         | 15,000                | 1,710           |
| Subordinate Lien System Ref. Revenue Series 2021   | 2035          | 0.17 - 2.17   | 74,450         | 70,080                | 7,340           |
| System Improvement Revenue Bond - Series 2023  | 2053          | 4.13 - 5.50   | 51,995         | 51,895                | 565             |
| Total Direct Placements  |               |               |                | 498,900               | 44,460          |
| Total Revenue Bonds and Loans, Business-type Activities  |               |               |                | \$ 992,280            | \$ 66,117       |



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**D. Revenue Bonds (Continued)**

Business-Type Activities (Continued)

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

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

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|------------------------------------|-------------------|-------------------|-------------------|
| 2025                               | \$ 53,021         | \$ 22,969         | \$ 75,990         |
| 2026                               | 51,575            | 21,059            | 72,634            |
| 2027                               | 47,201            | 19,218            | 66,419            |
| 2028                               | 47,429            | 17,817            | 65,246            |
| 2029                               | 49,678            | 17,366            | 67,044            |
| 2030 - 2034                        | 192,654           | 60,373            | 253,027           |
| 2035 - 2039                        | 98,348            | 31,701            | 130,049           |
| 2040 - 2044                        | 54,820            | 16,113            | 70,933            |
| 2045 - 2049                        | 26,142            | 6,439             | 32,581            |
| 2050 - 2054                        | 12,240            | 1,728             | 13,968            |
| Total                              | <u>\$ 633,108</u> | <u>\$ 214,783</u> | <u>\$ 847,891</u> |

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:

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

|                              | <u>Payable to<br/>Ext. Entities</u> | <u>Due to<br/>NMFA</u> | <u>Total</u>      |
|------------------------------|-------------------------------------|------------------------|-------------------|
| Current:                     |                                     |                        |                   |
| Direct Borrowings:           |                                     |                        |                   |
| Due to NMFA                  | \$ -                                | \$ 9,319               | \$ 9,319          |
| Due to Other Fin. Inst.      | 12,338                              | -                      | 12,338            |
| Payable to External Entities | <u>44,460</u>                       | <u>-</u>               | <u>44,460</u>     |
| Total Current                | 56,798                              | 9,319                  | 66,117            |
| Long-Term:                   |                                     |                        |                   |
| Direct Borrowings:           |                                     |                        |                   |
| Due to NMFA                  | -                                   | 118,269                | 118,269           |
| Due to Other Fin. Inst.      | 353,454                             | -                      | 353,454           |
| Payable to External Entities | <u>454,440</u>                      | <u>-</u>               | <u>454,440</u>    |
| Total Long-Term              | <u>807,894</u>                      | <u>118,269</u>         | <u>926,163</u>    |
| Total                        | <u>\$ 864,692</u>                   | <u>\$ 127,588</u>      | <u>\$ 992,280</u> |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**E. Pledged Revenue**

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

**Governmental Activities**

***Agency:***

Purpose of Bonds:

Total Amount of Bonds Issued:

Type of Revenues Pledged:

Term of Commitment:

Total Debt Service Remaining:

Revenue Stream for Current Year:

Debt Service for Current Year:

***State of New Mexico - Severance Tax Bonds***

Construction and acquisition of capital projects statewide

\$ 1.7 billion

Severance tax revenues collected from oil, gas, and mineral extraction activities.

Through June 30, 2032

\$ 1.3 billion

\$ 2.1 billion

\$ 177.1 million

***Agency:***

Purpose of Bonds:

Total Amount of Bonds Issued:

Type of Revenues Pledged:

Term of Commitment:

Total Debt Service Remaining:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Department of Transportation***

Construct and improve State highway and transportation system.

\$ 914.6 million

Gasoline excise taxes, motor vehicle registration and other fees deposited into State Road Fund, plus Federal Highway Fund revenues

Through June 30, 2032

\$ 697.4 million

\$ 1.1 billion

\$ 156.9 million

***Agency:***

Purpose of Bonds

Total Amount of Debt Issued:

Type of Revenues Pledged:

Total Debt Service Remaining:

Term of Commitment:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Spaceport Authority***

Construction of the Spaceport America launch facility.

\$35.4 million

Authority's share of governmental gross receipts tax revenue

\$ 23 million

Through June 30, 2029

\$ 10.8 million

\$ 4.6 million

***Agency:***

Purpose of Bonds

Total Amount of Debt Issued:

Type of Revenues Pledged:

Total Debt Service Remaining:

Term of Commitment:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Bernalillo County Metropolitan Court***

Court parking structure

\$ 30.7 million

Court facilities fees collected.

\$ 3.9 million

Through June 30, 2025

\$ 5.4 million

\$ 3.6 million

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**E. Pledged Revenue (Continued)**

**Governmental Activities (Continued)**

|                                  |   |
|----------------------------------|---|
| <b>Agency:</b>                   | <b>General Services Department</b>            |
| 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:    | \$ 170.8 million                              |
| Term of Commitment:              | Through June 30, 2043                         |
| Revenue Stream for Current Year: | \$ 8.1 million                                |
| Debt Service for Current Year:   | \$ 7.3 million                                |

**Business-Type Activities**

|                                  |   |
|----------------------------------|---|
| <b>Agency:</b>                   | <b>Miners' Colfax Medical Center</b>  |
| Purpose of Bonds:                | Improvement and expansion of medical facilities   |
| Total Amount of Bonds Issued:    | \$ 14.6 million   |
| Type of Revenues Pledged:        | Center's share of distributions from the State Land Grant and the Charitable, Penal, and Reform Permanent Funds |
| Total Debt Service Remaining:    | \$ 3.8 million  |
| Term of Commitment:              | Through June 30, 2027   |
| Revenue Stream for Current Year: | \$ 10.2 million   |
| Debt Service for Current Year:   | \$ 1.2 million  |

|                                  |  |
|----------------------------------|--|
| <b>Agency:</b>                   | <b>Educational Institutions (UNM, NMSU, ENMU, WNMU, NMCI, NMHU, NM Tech)</b>   |
| Purpose of Bonds:                | Construction and improvement of various capital facilities   |
| Total Amount of Bonds Issued:    | \$ 1.1 billion   |
| Type of Revenues Pledged:        | Substantially all unrestricted revenues, including Permanent Fund distributions, student fees, and income from revenue-producing facilities, but excluding state appropriations and income from clinical operations. |
| Total Debt Service Remaining:    | \$ 1.4 billion   |
| Term of Commitment:              | Through June 30, 2053  |
| Revenue Stream for Current Year: | \$ 758.7 million   |
| Debt Service for Current Year:   | \$ 59 million  |

**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.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**F. Leases Payable (Continued)**

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. For leases beginning during fiscal year 2024, the State has adopted the rate of 2.13% for lease terms greater than one year and less than five years, 2.06% for lease terms greater than five years and less than 10 years, 2.41% 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:

| Governmental Activities<br>(Expressed in Thousands) |                   |                  |                   |
|---|-------------------|------------------|-------------------|
| <u>Year Ending June 30,</u>                         | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
| 2025  | \$ 56,103         | \$ 8,397         | \$ 64,500         |
| 2026  | 48,523            | 7,831            | 56,354            |
| 2027  | 45,660            | 7,221            | 52,881            |
| 2028  | 41,790            | 6,626            | 48,416            |
| 2029  | 35,322            | 6,058            | 41,380            |
| 2030 - 2034   | 136,957           | 22,892           | 159,849           |
| 2035 - 2039   | 112,676           | 11,580           | 124,256           |
| 2040 - 2044   | 50,972            | 3,043            | 54,015            |
| 2045 - 2049   | 6,285             | 718              | 7,003             |
| 2050 - 2054   | 4,368             | 261              | 4,629             |
| 2055 - 2059   | 656               | 46               | 702               |
| Total   | <u>\$ 539,312</u> | <u>\$ 74,673</u> | <u>\$ 613,985</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**F. Leases Payable (Continued)**

Lease Liability (Continued)

Business-Type Activities  
*(Expressed in Thousands)*

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|-----------------------------|------------------|-----------------|------------------|
| 2025                        | \$ 14,209        | \$ 1,207        | \$ 15,416        |
| 2026                        | 9,679            | 949             | 10,628           |
| 2027                        | 6,474            | 779             | 7,253            |
| 2028                        | 4,314            | 655             | 4,969            |
| 2029                        | 2,533            | 561             | 3,094            |
| 2030 - 2034                 | 11,177           | 2,563           | 13,740           |
| 2035 - 2039                 | 3,769            | 672             | 4,441            |
| 2040 - 2044                 | 3,432            | 187             | 3,619            |
| Total                       | <u>\$ 55,587</u> | <u>\$ 7,573</u> | <u>\$ 63,160</u> |

Fiduciary Activities  
*(Expressed in Thousands)*

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|-----------------------------|------------------|-----------------|-----------------|
| 2025                        | \$ 367           | \$ 61           | \$ 428          |
| 2026                        | 351              | 57              | 408             |
| 2027                        | 359              | 53              | 412             |
| 2028                        | 367              | 48              | 415             |
| 2029                        | 361              | 44              | 405             |
| 2030 - 2034                 | 1,130            | 162             | 1,292           |
| 2035 - 2039                 | 1,141            | 67              | 1,208           |
| 2040 - 2044                 | 210              | 2               | 212             |
| Total                       | <u>\$ 4,286</u>  | <u>\$ 494</u>   | <u>\$ 4,780</u> |

Discretely Presented Component Units *(Excluding State Charter Schools)*  
*(Expressed in Thousands)*

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>  |
|-----------------------------|------------------|-----------------|---------------|
| 2025                        | \$ 588           | \$ 5            | \$ 593        |
| 2026                        | 51               | 3               | 54            |
| 2027                        | 10               | 1               | 11            |
| Total                       | <u>\$ 649</u>    | <u>\$ 9</u>     | <u>\$ 658</u> |

\* Total interest not furnished.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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)*

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>      |
|-----------------------------|------------------|------------------|-------------------|
| 2025                        | \$ 7,949         | \$ 97,740        | \$ 105,689        |
| 2026                        | 4,986            | 224              | 5,210             |
| 2027                        | 2,868            | 154              | 3,022             |
| 2028                        | 1,398            | 114              | 1,512             |
| 2029                        | 821              | 81               | 902               |
| 2030 - 2034                 | 2,268            | 137              | 2,405             |
| Total                       | <u>\$ 20,290</u> | <u>\$ 98,450</u> | <u>\$ 118,740</u> |

Business-Type Activities  
*(Expressed in Thousands)*

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|-----------------------------|------------------|-----------------|------------------|
| 2025                        | \$ 14,922        | \$ 1,216        | \$ 16,138        |
| 2026                        | 10,754           | 754             | 11,508           |
| 2027                        | 8,526            | 417             | 8,943            |
| 2028                        | 1,857            | 266             | 2,123            |
| 2029                        | 1,732            | 203             | 1,935            |
| 2030 - 2034                 | 5,468            | 308             | 5,776            |
| Total                       | <u>\$ 43,259</u> | <u>\$ 3,164</u> | <u>\$ 46,423</u> |

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

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>  |
|-----------------------------|------------------|-----------------|---------------|
| 2025                        | \$ 269           | \$ 33           | \$ 302        |
| 2026                        | 108              | 10              | 118           |
| 2027                        | 77               | 4               | 81            |
| Total                       | <u>\$ 454</u>    | <u>\$ 47</u>    | <u>\$ 501</u> |

Fiduciary Activities  
*(Expressed in Thousands)*

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|-----------------------------|------------------|-----------------|-----------------|
| 2025                        | \$ 579           | \$ 24           | \$ 603          |
| 2026                        | 591              | 11              | 602             |
| 2027                        | 250              | 1               | 251             |
| Total                       | <u>\$ 1,420</u>  | <u>\$ 36</u>    | <u>\$ 1,456</u> |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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, 2024, conduit debt obligations outstanding are as follows:

| New Mexico Hospital Equipment Loan Council<br>Conduit Debt<br>(Expressed in Thousands) |                          |
|--|--------------------------|
|  | Balance<br>June 30, 2024 |
| 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                                    | 117,190                  |
| Lovelace Health Systems, Series 2011   | 32,800                   |
| Lovelace Health Systems, Series 2012   | 26,165                   |
| Presbyterian Healthcare Services Series 2015 A   | 189,115                  |
| San Juan Regional Medical Center, Series 2017  | 6,936                    |
| Presbyterian Healthcare Services, Series 2017 A - B                                    | 302,270                  |
| Haverland Carter Series 2019 A - C   | 89,535                   |
| Presbyterian Healthcare Series 2019 A - C  | 304,245                  |
| San Juan Regional Medical Center Series 2020   | 29,125                   |
| Haverland Carter Series 2022   | 29,600                   |
| San Juan Regional Medical Center Series 2022   | 17,712                   |
| Total  | <u>\$ 1,162,310</u>      |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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). GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, 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, 2024.

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, 2024, this site is excluded from the estimated pollution remediation liability which for Superfund sites totals \$56.9 million.



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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:

|   | Beginning<br>Balance | Additions       | Deletions         | Ending<br>Balance |
|---|----------------------|-----------------|-------------------|-------------------|
| Amount Due Within One Year              | \$ 1,183             | \$ 1,559        | \$ (996)          | \$ 1,746          |
| Amount Due in More than One Year        | 52,550               | 5,478           | (1,438)           | 56,590            |
| Total Pollution Remediation Liabilities | <u>\$ 53,733</u>     | <u>\$ 7,037</u> | <u>\$ (2,434)</u> | <u>\$ 58,336</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 U.S. Department of Interior signed all three settlement agreements on behalf of the United States. Copies of the three fully executed settlement agreements and related documents can be found at: [www.ose.state.nm.us/legal\\_ose\\_proposed\\_settlements.html](http://www.ose.state.nm.us/legal_ose_proposed_settlements.html).

Each of the agreements involves a contribution from the State of New Mexico in the form of construction of infrastructure. The value of infrastructure and mutual benefits projects contemplated in the three settlements are estimated at more than \$155.5 million as of June 30, 2024. 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 \$23.7 million in the financial statements as of June 30, 2024.

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

| Indian Water<br>Rights Settlement | Total<br>Cost Share | Appropriated<br>Funds | Unappropriated<br>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, 2024**

**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 (expressed in thousands):

| Indian Water<br>Rights Settlement | Disbursed<br>To Date | Balance,<br>June 30, 2024 |
|-----------------------------------|----------------------|---------------------------|
| Aamodt                            | \$ 86,200            | \$ 18,300                 |
| Taos                              | 14,596               | 5,453                     |
| Navajo                            | 30,949               | -                         |
| Total                             | <u>\$ 131,745</u>    | <u>\$ 23,753</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, 2024 and **2023** were \$26 and \$290, in thousands, respectively. An agreement with US Bank was entered into on December 31, 2014 for a three-year term expiring December 29, 2017. 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 (expressed in thousands):

| US Bank                 |                 |                 |                  |                  |
|-------------------------|-----------------|-----------------|------------------|------------------|
| Liquidity<br>Expiration | Series<br>2001  | Series<br>2002B | Series<br>2002C  | Grand<br>Total   |
| 6/1/2026                | <u>\$ 6,755</u> | <u>\$ 5,455</u> | <u>\$ 17,020</u> | <u>\$ 29,230</u> |
| Liquidity Fees          | 2001            | 2002B           | 2002C            | Total            |
| FY24                    | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ 26</u>     | <u>\$ 26</u>     |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**J. University of New Mexico (Continued)**

Interest Rate Swap Agreements

On June 30, 2024, UNM had the following derivative instruments outstanding (expressed in thousands):

| Item/<br>Counter-Party  | Type  | Objective   | Effective<br>Date | Maturity<br>Date | Terms   | Current<br>Fair Value | Current<br>Notional<br>Amount |
|-------------------------|---|---|-------------------|------------------|---|-----------------------|-------------------------------|
| Hedging Derivatives:    |   |   |                   |                  |   |                       |                               |
| A - JP Morgan           | Pay-Fixed/Receive Variable<br>Interest Rate Swap    | Hedge against rising SIFMA rates<br>related to the 2001 System Improvement<br>Revenue Bonds (Underlying Swap) | 10/30/2002        | 6/1/2026         | Receive SIFMA USD -<br>Pay 4.2% Fixed                           | \$ (20)               | \$ 3,378                      |
| B - JP Morgan           | Pay-Fixed/Receive Variable<br>Interest Rate Swap    | Hedge against rising SIFMA rates related to the<br>2002C Refunding Revenue Bonds (Underlying<br>Swap)         | 10/30/2002        | 6/1/2030         | Receive SIFMA USD -<br>Pay 3.9% Fixed                           | (426)                 | 17,020                        |
| C - JP Morgan           | Pay-Fixed/Receive Variable<br>Interest Rate Swap    | Hedge against rising SIFMA rates related to the<br>2002B Refunding Revenue Bonds (Underlying<br>Swap)         | 1/14/2003         | 6/1/2026         | Receive SIFMA USD -<br>Pay 3.8% Fixed                           | (45)                  | 1,688                         |
| D - RBC Royal Bank      | Pay-Fixed/Receive Variable<br>Interest Rate Swap    | Hedge against rising SIFMA rates related<br>to the 2001 System Improvement<br>Revenue Bonds (Underlying Swap) | 10/30/2002        | 6/1/2026         | Receive SIFMA USD -<br>Pay 4.2% Fixed                           | (20)                  | 17,020                        |
| Investment Derivatives: |   |   |                   |                  |   |                       |                               |
| E - JP Morgan           | Pay-Variable/Receive<br>Variable Interest Rate Swap | Hedge against falling SIFMA rates related<br>to the 2001 System Improvement<br>Revenue Bonds (Swap Overlays)  | 8/15/2006         | 6/1/2026         | Receive 63.6% of 5-<br>Year USD Swap Rate<br>+ 0.3% - Pay SIFMA | (35)                  | 5,455                         |
| F - JP Morgan           | Pay-Variable/Receive<br>Variable Interest Rate Swap | Hedge against falling SIFMA rates related to the<br>2002C Refunding Revenue Bonds (Swap<br>Overlays)          | 8/15/2006         | 6/1/2030         | Receive 63.6% of 5-<br>Year USD Swap Rate<br>+ 0.3% - Pay SIFMA | (17)                  | 1,689                         |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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, 2024, the interest rate on the University's variable-rate hedged debt (SIFMA) is 3.88%, while the 63.55% of five-year USD Swap Rate 4.34% + 0.31% is 3.07%.

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%. 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, 2024**

**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 counterparties, 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 (expressed in thousands):

| Rating          | Swap M-T-M Threshold for<br>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-/Aa3 at June 30, 2024; therefore, no collateral has been posted.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**J. University of New Mexico (Continued)**

Derivative Instrument Payments and Hedged Debt

As of June 30, 2024, 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.

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

| Fiscal Year<br>Ending June 30. | Principal        | Interest        | Hedging<br>Derivative<br>Instruments,<br>Net | Total            |
|--------------------------------|------------------|-----------------|--|------------------|
| 2025                           | \$ 7,770         | \$ 1,020        | \$ 118                                       | \$ 8,908         |
| 2026                           | 9,900            | 649             | 180  | 10,729           |
| 2027                           | 2,900            | 329             | 126  | 3,355            |
| 2028                           | 3,030            | 259             | 82   | 3,371            |
| 2029                           | 3,160            | 174             | 49   | 3,383            |
| 2030 - 2034                    | 2,470            | 73              | 24   | 2,567            |
| Total                          | <u>\$ 29,230</u> | <u>\$ 2,504</u> | <u>\$ 579</u>                                | <u>\$ 32,313</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, 2024. 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 2024 for the hedge instruments was a \$225 thousand 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, 2024, was recorded to unrealized loss in the amount of \$271 thousand.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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, 2024, follow:

| Note Payable<br>Debt Service Requirements to Maturity<br>(Expressed in Thousands) |                  |                 |                 |
|---|------------------|-----------------|-----------------|
| <u>Fiscal Year Ending June 30,</u>  | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
| 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>\$ 5,830</u>  | <u>\$ 461</u>   | <u>\$ 6,291</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, 2024**

**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<br>Rate (%) | Maturity<br>Date | Original<br>Issue   | Balance<br>June 30, 2024 |
|--|----------------------|------------------|---------------------|--------------------------|
| Public Project Revolving Fund - Senior Lien:                       |                      |                  |                     |                          |
| 2014 B   | 3.0 - 5.0            | 2023 - 2035      | \$ 58,235           | \$ 17,075                |
| 2015 B - C   | 2.3 - 5.0            | 2023 - 2045      | 90,800              | 64,600                   |
| 2016 A - F   | 2.0 - 5.0            | 2023 - 2046      | 315,540             | 156,800                  |
| 2017 A - E   | 3.0 - 5.0            | 2023 - 2038      | 138,130             | 73,915                   |
| 2018 A - D   | 2.5 - 5.0            | 2023 - 2038      | 200,170             | 114,770                  |
| 2019 B - D   | 3.0 - 5.0            | 2023 - 2041      | 97,130              | 73,715                   |
| 2020 A - B   | 2.0 - 5.0            | 2023 - 2041      | 113,305             | 76,525                   |
| 2021 A - C   | 3.0 - 5.0            | 2023 - 2041      | 83,145              | 62,145                   |
| 2022 A - C   | 2.8 - 5.0            | 2023 - 2042      | 186,285             | 164,655                  |
| 2023 A-1, 2  | 5                    | 2024 - 2053      | 75,775              | 70,300                   |
| 2023 B   | 5                    | 2024 - 2048      | 162,480             | 160,605                  |
| Subtotal   |                      |                  | 1,520,995           | 1,035,105                |
| Public Project Revolving Fund - Subordinate Lien:                  |                      |                  |                     |                          |
| 2014 A-1, 2  | 3.3 - 5.0            | 2023 - 2034      | 31,940              | 9,385                    |
| 2015 A, D  | 3.0 - 5.0            | 2023 - 2035      | 92,745              | 37,130                   |
| 2017 B - F   | 2.6 - 5.0            | 2023 - 2036      | 128,725             | 32,400                   |
| 2018 C - E   | 3.2 - 5.0            | 2024 - 2039      | 102,780             | 71,545                   |
| 2019 A - C   | 2.3 - 5.0            | 2023 - 2039      | 68,555              | 47,240                   |
| 2020 C-1 & C-2   | 0.4 - 5.0            | 2023 - 2050      | 96,820              | 71,245                   |
| 2021 B   | 4.0 - 5.0            | 2023 - 2032      | 31,305              | 25,400                   |
| 2024 A   | 5.0                  | 2024 - 2048      | 49,890              | 48,520                   |
| Subtotal   |                      |                  | 602,760             | 342,865                  |
| Total Public Project Revolving Fund and<br>Total Bonds Outstanding |                      |                  | <u>\$ 2,123,755</u> | 1,377,970                |
| Add: Net Unamortized Premium                                       |                      |                  |                     | 194,322                  |
| Total Bonds Payable  |                      |                  |                     | <u>\$ 1,572,292</u>      |
| Current Portion  |                      |                  |                     | <u>\$ 142,110</u>        |



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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<br>Rate (%) | Maturity<br>Date | Balance,<br>September 30,<br>2024 |
|---|----------------------|------------------|-----------------------------------|
| Single Family Mortgage Programs:          |                      |                  |                                   |
| Series 2013 A - C                         | 2.2 - 4.5            | 2043             | \$ 20,929                         |
| Series 2014 A - B                         | 2.8 - 5.0            | 2044             | 5,255                             |
| Series 2015 A - E                         | 2.6 - 4.0            | 2045             | 18,660                            |
| Series 2016 A - C                         | 1.6 - 3.8            | 2046             | 43,140                            |
| Series 2017 A - B                         | 1.8 - 3.8            | 2048             | 30,240                            |
| Series 2018 A - D                         | 2.2 - 4.3            | 2049             | 111,605                           |
| Series 2019 A - F                         | 1.4 - 4.3            | 2050             | 229,515                           |
| Series 2020 A - B                         | 0.4 - 3.5            | 2051             | 92,190                            |
| Series 2021 A - C                         | 0.2 - 3.0            | 2052             | 256,793                           |
| Series 2022 A - E                         | 0.4 - 6.3            | 2053             | 364,511                           |
| Series 2023 A - D                         | 2.5 - 5.8            | 2054             | 356,705                           |
| Series 2024 A - F                         | 3.2 - 6.3            | 2055             | 393,905                           |
| Subtotal                                  |                      |                  | <u>1,923,448</u>                  |
| Unaccreted Bond Premium/<br>Discount, Net |                      |                  | <u>57,257</u>                     |
| Total Bonds Payable                       |                      |                  | <u><u>\$ 1,980,705</u></u>        |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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<br>Notes Payable<br>(Expressed in Thousands) |                                  | Debt Service Requirements to Maturity<br>(Expressed in Thousands) |                  |                 |                  |
|--|----------------------------------|---|------------------|-----------------|------------------|
| Note   | Balance<br>September 30,<br>2024 | Fiscal Year<br>Ending<br>September 30,                            | Principal        | Interest        | Total            |
| PRLF Cash and Loans  | \$ 2,086                         | 2025  | \$ 57,846        | \$ 600          | \$ 58,446        |
| Jefferson Building   | 7,123                            | 2026  | 876              | 283             | 1,159            |
| Securities and Loans Held for Sale   | 57,000                           | 2027  | 908              | 249             | 1,157            |
| Subtotal   | 66,209                           | 2028  | 941              | 215             | 1,156            |
| Other Direct Borrowings Without Assets Pledged                                     | -                                | 2029  | 976              | 178             | 1,154            |
| Total Direct Borrowings  | <u>\$ 66,209</u>                 | 2030 - 2034   | 4,022            | 328             | 4,350            |
|  |                                  | 2035 - 2039   | 371              | 25              | 396              |
|  |                                  | 2040 - 2044   | 269              | 6               | 275              |
|  |                                  | Total   | <u>\$ 66,209</u> | <u>\$ 1,884</u> | <u>\$ 68,093</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:

| Bonds Payable<br>Debt Service Requirements to Maturity   |                     |                   |                     | New Mexico Mortgage Finance Authority<br>(Expressed in Thousands) |                     |                     |
|--|---------------------|-------------------|---------------------|---|---------------------|---------------------|
| New Mexico Finance Authority<br>(Expressed in Thousands) |                     |                   |                     | New Mexico Mortgage Finance Authority<br>(Expressed in Thousands) |                     |                     |
| Fiscal Year<br>Ending<br>September 30,                   | Principal           | Interest          | Total               | Principal   | Interest            | Total               |
| 2025   | \$ 142,110          | \$ 62,785         | \$ 204,895          | \$ 42,639   | \$ 77,372           | \$ 120,011          |
| 2026   | 116,135             | 56,035            | 172,170             | 36,520  | 76,098              | 112,618             |
| 2027   | 118,265             | 50,548            | 168,813             | 38,060  | 75,007              | 113,067             |
| 2028   | 110,595             | 44,980            | 155,575             | 39,415  | 73,825              | 113,240             |
| 2029   | 100,360             | 40,038            | 140,398             | 40,795  | 72,554              | 113,349             |
| 2030 - 2034  | 420,440             | 135,900           | 556,340             | 235,530   | 340,041             | 575,571             |
| 2035 - 2039  | 229,705             | 56,838            | 286,543             | 309,447   | 289,680             | 599,127             |
| 2040 - 2044  | 91,900              | 21,456            | 113,356             | 434,893   | 219,190             | 654,083             |
| 2045 - 2049  | 37,870              | 7,455             | 45,325              | 436,445   | 129,435             | 565,880             |
| 2050 - 2054  | 10,590              | 1,294             | 11,884              | 309,340   | 36,685              | 346,025             |
| 2055 - 2059  | -                   | -                 | -                   | 364   | 11                  | 375                 |
| Subtotal   | 1,377,970           | 477,329           | 1,855,299           | 1,923,448   | 1,389,898           | 3,313,346           |
| Unamortized Premium                                      | 194,322             | -                 | 194,322             | 47,372  | -                   | 47,372              |
| Total  | <u>\$ 1,572,292</u> | <u>\$ 477,329</u> | <u>\$ 2,049,621</u> | <u>\$ 1,970,820</u>   | <u>\$ 1,389,898</u> | <u>\$ 3,360,718</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**L. Discretely Presented Component Units (Continued)**

Bonds Payable, Lease Liabilities, and Subscription Liabilities  
Debt Service Requirements to Maturity

New Mexico State Chartered Schools  
*(Expressed in Thousands)*

| <u>Fiscal Year Ending September 30,</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|---|-------------------|-------------------|-------------------|
| 2025                                    | \$ 31,801         | \$ 12,623         | \$ 44,424         |
| 2026                                    | 14,706            | 11,408            | 26,114            |
| 2027                                    | 17,197            | 10,672            | 27,869            |
| 2028                                    | 8,908             | 10,101            | 19,009            |
| 2029                                    | 8,960             | 9,724             | 18,684            |
| 2030 - 2034                             | 50,623            | 42,654            | 93,277            |
| 2035 - 2039                             | 34,316            | 37,534            | 71,850            |
| 2040 - 2044                             | 40,259            | 20,466            | 60,725            |
| 2045 - 2049                             | 34,322            | 7,584             | 41,906            |
| 2050 - 2054                             | 10,138            | 684               | 10,822            |
| Total                                   | <u>\$ 251,230</u> | <u>\$ 163,450</u> | <u>\$ 414,680</u> |

**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, 2024**

**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, 2024, follows (expressed in thousands):

|  | General Fund         | Severance Tax       | Land Grant           | Debt<br>Service     | Capital<br>Projects | Children's<br>Trust | Total                |
|--|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| Nonspendable:                              |                      |                     |                      |                     |                     |                     |                      |
| Prepaid Expenses                           | \$ 6,570             | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ 6,570             |
| Inventories                                | 42,401               | -                   | -                    | -                   | -                   | -                   | 42,401               |
| Other                                      | 15,104               | -                   | -                    | -                   | -                   | 2,000               | 17,104               |
| Total Nonspendable                         | <u>\$ 64,075</u>     | <u>\$ -</u>         | <u>\$ -</u>          | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 2,000</u>     | <u>\$ 66,075</u>     |
| Restricted:                                |                      |                     |                      |                     |                     |                     |                      |
| Capital Projects                           | \$ -                 | \$ -                | \$ -                 | \$ -                | \$ 5,008,094        | \$ -                | \$ 5,008,094         |
| Culture, Recreation, and Natural Resources | 562,769              | -                   | -                    | 2,063               | -                   | -                   | 564,832              |
| Education                                  | 550,309              | -                   | -                    | -                   | -                   | -                   | 550,309              |
| General Control                            | 14,423,435           | 9,746,944           | 32,093,101           | 995,192             | -                   | -                   | 57,258,672           |
| Health and Human Services                  | 293,680              | -                   | -                    | -                   | -                   | 6,437               | 300,117              |
| Highway and Transportation                 | 808,773              | -                   | -                    | 13,989              | -                   | -                   | 822,762              |
| Judicial                                   | 66,576               | -                   | -                    | 3,343               | -                   | -                   | 69,919               |
| Legislature                                | 24,614               | -                   | -                    | -                   | -                   | -                   | 24,614               |
| Public Safety                              | 195,928              | -                   | -                    | -                   | -                   | -                   | 195,928              |
| Regulation and Licensing                   | 382,252              | -                   | -                    | 33,329              | -                   | -                   | 415,581              |
| Total Restricted                           | <u>\$ 17,308,336</u> | <u>\$ 9,746,944</u> | <u>\$ 32,093,101</u> | <u>\$ 1,047,916</u> | <u>\$ 5,008,094</u> | <u>\$ 6,437</u>     | <u>\$ 65,210,828</u> |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)**

**A. Governmental Fund Balances (Continued)**

|  | General Fund      | Severance Tax | Land Grant    | Debt<br>Service   | Capital<br>Projects | Children's<br>Trust | Total             |
|--|-------------------|---------------|---------------|-------------------|---------------------|---------------------|-------------------|
| Committed:                                 |                   |               |               |                   |                     |                     |                   |
| Culture, Recreation, and Natural Resources | \$ 1,021          | \$ -          | \$ -          | \$ -              | \$ -                | \$ -                | \$ 1,021          |
| Education                                  | 20,078            | -             | -             | -                 | 20                  | -                   | 20,098            |
| General Control                            | 11,212            | -             | -             | -                 | -                   | -                   | 11,212            |
| Health and Human Services                  | 165,115           | -             | -             | -                 | -                   | 2,500               | 167,615           |
| Regulation and Licensing                   | 21,880            | -             | -             | -                 | -                   | -                   | 21,880            |
| Total Committed                            | <u>\$ 219,306</u> | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>       | <u>\$ 20</u>        | <u>\$ 2,500</u>     | <u>\$ 221,826</u> |
| Assigned:                                  |                   |               |               |                   |                     |                     |                   |
| Health and Human Services                  | \$ 161,167        | \$ -          | \$ -          | \$ -              | \$ -                | \$ -                | \$ 161,167        |
| Judicial                                   | 1,573             | -             | -             | -                 | -                   | -                   | 1,573             |
| Regulation and Licensing                   | 6,267             | -             | -             | -                 | -                   | -                   | 6,267             |
| Total Assigned                             | <u>\$ 169,007</u> | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 169,007</u> |
| Unassigned:                                |                   |               |               |                   |                     |                     |                   |
| Capital Projects                           | \$ -              | \$ -          | \$ -          | \$ -              | \$ (8,561)          | \$ -                | \$ (8,561)        |
| Culture, Recreation, and Natural Resources | (26,686)          | -             | -             | -                 | -                   | -                   | (26,686)          |
| Debt Service                               | -                 | -             | -             | (7,996)           | -                   | -                   | (7,996)           |
| Education                                  | 2,509             | -             | -             | -                 | -                   | -                   | 2,509             |
| General Control                            | 588,823           | 2             | (2)           | -                 | -                   | -                   | 588,823           |
| Health and Human Services                  | (73,184)          | -             | -             | -                 | -                   | 2                   | (73,182)          |
| Highway and Transportation                 | (42,567)          | -             | -             | -                 | -                   | -                   | (42,567)          |
| Judicial                                   | 4,489             | -             | -             | -                 | -                   | -                   | 4,489             |
| Legislature                                | 8,561             | -             | -             | -                 | -                   | -                   | 8,561             |
| Public Safety                              | (36,765)          | -             | -             | -                 | -                   | -                   | (36,765)          |
| Regulation and Licensing                   | 18,355            | -             | -             | -                 | -                   | -                   | 18,355            |
| Total Unassigned                           | <u>\$ 443,535</u> | <u>\$ 2</u>   | <u>\$ (2)</u> | <u>\$ (7,996)</u> | <u>\$ (8,561)</u>   | <u>\$ 2</u>         | <u>\$ 426,980</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2024.

**C. Correction of an Error in Previously Issued Financial Statements**

**1. Unemployment Insurance Fund**

During the fiscal year ended June 30, 2024, the State determined that errors in accounting for certain transactions had been made in prior fiscal year for the Unemployment Insurance Fund. The effect of the corrections follows (expressed in thousands):

**Summary of Adjustments, Net Position/Fund Balance**

Business-Type Activities, Educational Institutions:

|   |                  |
|---|------------------|
| Nonmajor Business-Type Funds                  |                  |
| Unemployment - Understated Taxes Receivable   | \$ 46,357        |
| Unemployment - Overstated Claims Payable      | 14,609           |
| Unemployment - Understated Federal Receivable | 864              |
| Unemployment - understated CWC liability      | (61)             |
| Total Business-Type Fund Adjustments          | <u>\$ 61,769</u> |

The following schedule reconciles June 30, 2024, net position/fund balance previously reported to beginning Net Position/fund balance, as reported in the accompanying financial statements (expressed in thousands):

**Net Position/Fund Balance Adjustments**

|   | Net Position -<br>Business-Type<br>Activities | Educational<br>Institutions | Nonmajor<br>Enterprise |
|---|---|-----------------------------|------------------------|
| Business-Type Activities:                         |   |                             |                        |
| Beginning Net Position,<br>as Previously Reported | \$ 1,934,108                                  | \$ 897,657                  | \$ 1,036,451           |
| Adjustments                                       | <u>61,769</u>                                 | <u>-</u>                    | <u>61,769</u>          |
| Beginning Net Position,<br>After Adjustments      | <u>\$ 1,995,877</u>                           | <u>\$ 897,657</u>           | <u>\$ 1,098,220</u>    |

**STATE OF NEW MEXICO**  
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**NOTE 10 RISK MANAGEMENT**

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through its Internal Service Fund (ISF). Coverage is provided for the following:

- Workers' Compensation
- Civil Rights and Foreign Jurisdiction
- Aircraft
- Money and Securities
- Health and 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, 2024, were \$478 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% annual rate, between June 30, 2024 and the date the claims are ultimately expected to be paid.

**STATE OF NEW MEXICO**  
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**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 (expressed in thousands):

|                         | Beginning<br>Balance | Incurred (Net<br>of Actuarial<br>Provision) | Payments            | Ending<br>Balance | Current<br>Amount Due |
|-------------------------|----------------------|---|---------------------|-------------------|-----------------------|
| State Unemployment      | \$ 3,986             | \$ 4,168                                    | \$ (4,322)          | \$ 3,832          | \$ 3,832              |
| Local Public Body       | 876                  | 690   | (743)               | 823               | 824                   |
| Public Property Reserve | 5,139                | 8,712                                       | (6,244)             | 7,607             | 6,401                 |
| Public Liability        | 114,320              | 296,595                                     | (52,363)            | 358,552           | 162,458               |
| Surety Bond             | 3                    | 1   | -                   | 4                 | 2                     |
| Workers' Compensation   | 59,287               | 11,794                                      | (13,627)            | 57,454            | 13,381                |
| Group Insurance Premium | 52,327               | 448,651                                     | (451,241)           | 49,737            | 49,737                |
| Total                   | <u>\$ 235,938</u>    | <u>\$ 770,611</u>                           | <u>\$ (528,540)</u> | <u>\$ 478,009</u> | <u>\$ 236,635</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**  
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**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 12 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, 2024**

**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, 2024, were (not in thousands):

|   | PERS*      | JRS       | MRS       | VFRS       | EERS       |
|---|------------|-----------|-----------|------------|------------|
| Number of Employers                                   |            |           |           |            |            |
| State Agencies  | 122        | 16        | 12        | 363        | 11         |
| Cities, Towns, Villages                               | 98         | -         | -         | -          | -          |
| Counties  | 33         | -         | -         | -          | -          |
| Public Schools  | -          | -         | -         | -          | 89         |
| Universities and Colleges                             | -          | -         | -         | -          | 16         |
| Special Schools                                       | -          | -         | -         | -          | 4          |
| Charter Schools                                       | -          | -         | -         | -          | 100        |
| Other   | 63         | -         | -         | -          | -          |
| Total   | <u>316</u> | <u>16</u> | <u>12</u> | <u>363</u> | <u>220</u> |
| Retirees and Beneficiaries                            |            |           |           |            |            |
| Receiving Benefits                                    | 44,115     | 204       | 111       | 1,642      | 54,774     |
| Terminated Plan Members<br>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, multiemployer 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, 2024**

**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% 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% 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% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and 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 two full-calendar years after retirements to receive a COLA;
  - Between July 1, 2014 and June 30, 2015: two full-calendar year eligibility period to receive a COLA;
  - Between July 1, 2015 and June 30, 2016: four full-calendar year eligibility period to receive a COLA; and
  - After July 1, 2016: seven full-calendar year eligibility period to receive a COLA
- No change in one-year COLA eligibility for disability retirees or retirees age 65 or older.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
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**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 five years of service credit and the sum of the member's age and service credits equals at least 85, or at 65 with five 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 five 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**  
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**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-. Regarding the source of funding, Section 7 -1-6.43 of the Tax Administration Act states "A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars (\$200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year." During the State of New Mexico (53<sup>rd</sup> Legislature) in 2017, House Bill 2 was passed that reduced the State's distribution to the legislative retirement fund from \$75,000 a month to \$-0- a month.

Age and service requirements for retirement are age 65 or older with five 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 1 through December 31) 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  
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**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% 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% of salary received during the last year in office prior to retirement multiplied by 5% 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% times the sum of the number of years of service; provided that a pension calculated shall not exceed 75% 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 eight 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% 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**  
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**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% of their salaries and the member's court contributes at a rate of 15% 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%, 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**  
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**NOTE 11 PENSION PLANS (CONTINUED)**

**B. Funding and Benefit Policies (Continued)**

Magistrate Retirement Fund (Continued)

Member contributions are based on 10.5% of salaries and the State, through the administrative office of the courts, contributes at a rate of 11% of the member's salary. Beginning July 1, 2015, the employer contributions increased to 15% 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, multiemployer 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, 2024**

**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 65 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 five or more years of service credit.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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 five or more years of earned service credit.
- The sum of members' age and years of earned service credit equals at least 80.

*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, 2024**

**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% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% 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, 2024**

**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, 2024**

**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, 2023. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2024. The net pension liability of each plan as of June 30, 2024, is as follows:

| Public Employees Retirement Association and Education Retirement Board |  |                                       |   |  |  |
|--|--|---------------------------------------|---|--|--|
| Net Pension Liability, By Fund   |  |                                       |   |  |  |
| (Expressed in Thousands)   |  |                                       |   |  |  |
|  | PERA-Public<br>Employees<br>Retirement<br>System | PERA-Judicial<br>Retirement<br>System | PERA-Magistrate<br>Retirement<br>System | PERA-Volunteer<br>Firefighters<br>Retirement<br>System | ERB-Educational<br>Employees<br>Retirement<br>System |
| Total Pension Liability  | \$ 26,323,061                                    | \$ 237,124                            | \$ 73,994                               | \$ 53,126  | \$ 26,286,205  |
| Plan's Fiduciary Net Position  | (17,372,001)                                     | (116,500)                             | (33,184)                                | (85,426)   | (17,498,210)   |
| Net Pension Liability<br>(Asset)                                       | <u>\$ 8,951,060</u>                              | <u>\$ 120,624</u>                     | <u>\$ 40,810</u>                        | <u>\$ (32,300)</u>                                     | <u>\$ 8,787,995</u>                                  |
| Percentage of Fiduciary<br>Net Position to Total<br>Pension Liability  | <u>66.00 %</u>                                   | <u>49.13 %</u>                        | <u>44.85 %</u>                          | <u>160.80 %</u>  | <u>66.57 %</u>                                       |

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2024. These assumptions were adopted by the Board for use in the June 30, 2023 actuarial valuation.

|                            | PERS                     | JRS                        | MRS                            | VFRS                     | EERS   |
|----------------------------|--------------------------|----------------------------|--------------------------------|--------------------------|--|
| Valuation Date             | June 30, 2023            | June 30, 2023              | June 30, 2023                  | June 30, 2023            | June 30, 2023  |
| 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 Closed 30 Years 5-Year Smoothed Market |
| Amortization Period        | 25 Years                 | 25 Years                   | 25 Years                       | 25 Years                 |  |
| Asset Valuation Method     |                          |                            |                                |                          |  |
| Actuarial Assumptions:     |                          |                            |                                |                          |  |
| Investment Rate of Return  | 7.25%                    | 7.25%                      | 7.25%                          | 7.25%                    | 7%   |
| 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       | PUB-2010 Mortality Table | PUB-2010 Mortality Table   | PUB-2010 Mortality Table       | PUB-2010 Mortality Table | 2020 GRS Southwest Region Teacher Mortality Table  |
| Discount Rate              | 7.25 %                   | 5.54 %                     | 5.84 %                         | 7.25 %                   | 7.00 %   |
| Municipal Bond Rate        | -                        | 3.97 %                     | 3.97 %                         | -                        | -  |

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, 2024**

**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)*

|                               | 1%<br>Decrease<br>(6.25%) | Current<br>Discount<br>Rate<br>(7.25%) | 1%<br>Increase<br>(8.25%) |
|-------------------------------|---------------------------|--|---------------------------|
| <u>Net Pension Liability</u>  |                           |  |                           |
| PERS                          | <u>\$ 12,244,663</u>      | <u>\$ 8,951,060</u>                    | <u>\$ 6,236,360</u>       |
| <b>Single-Employer Funds:</b> |                           |  |                           |
|                               | (4.68%)                   | (5.68%)                                | (6.68%)                   |
| Judicial                      | <u>\$ 147,080</u>         | <u>\$ 120,624</u>                      | <u>\$ 98,351</u>          |
|                               | (6.25%)                   | (7.25%)                                | (8.25%)                   |
| Volunteer Firefighters        | <u>\$ (26,420)</u>        | <u>\$ (32,300)</u>                     | <u>\$ (37,216)</u>        |
|                               | (4.82%)                   | (5.82%)                                | (6.82%)                   |
| Magistrate                    | <u>\$ 49,089</u>          | <u>\$ 40,810</u>                       | <u>\$ 33,925</u>          |
|                               | (6.00%)                   | (7.00%)                                | (8.00%)                   |
| ERB                           | <u>\$ 11,805,547</u>      | <u>\$ 8,787,995</u>                    | <u>\$ 6,105,755</u>       |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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<br>All Systems |                      |  |
|--|----------------------|--|
| Asset Class  | Target<br>Allocation | Long-Term<br>Expected<br>Rate of<br>Return |
| Global Equity  | 46.00 %              | 3.90 %                                     |
| Core Fixed Income                                      | 13.00                | 2.20                                       |
| Credit   | 17.00                | 2.30                                       |
| Absolute Return  | 6.00                 | 2.60                                       |
| Real Assets  | 18.00                | 5.90                                       |
| 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 December 2022:

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 PENSION PLANS (CONTINUED)**

**C. Net Pension Liability (Asset) (Continued)**

ERB Asset Allocations

Schedule of Asset Allocation Versus Policy Targets

|                         | <u>Allocation</u>     | <u>Policy<br/>Target<sup>1</sup></u> |
|-------------------------|-----------------------|--------------------------------------|
| Equities:               |                       |                                      |
| Domestic Equities:      |                       |                                      |
| Large Cap               | 13.6 %                | 15.0 %                               |
| Small-Mid Cap           | 3.2                   | 4.0                                  |
| International Equities: |                       |                                      |
| Developed               | 4.4                   | 5.0                                  |
| Emerging Markets        | 4.5                   | 4.0                                  |
| Total Equities          | <u>25.7</u>           | <u>28.0</u>                          |
| Fixed Income:           |                       |                                      |
| Core Fixed Income       | 4.8                   | 6.0                                  |
| Opportunistic Credit    | 16.9                  | 18.0                                 |
| Total Fixed Income      | <u>21.7</u>           | <u>24.0</u>                          |
| Alternatives:           |                       |                                      |
| Real Estate - REITS     | 0.9                   | -                                    |
| Private Real Estate     | 8.3                   | 8.0                                  |
| Private Equity          | 22.4                  | 17.0                                 |
| Global Asset Allocation | 1.7                   | 2.0                                  |
| Inflation-Linked Assets | 11.3                  | 12.0                                 |
| Other                   | 6.3                   | 8.0                                  |
| Total Alternatives      | <u>50.9</u>           | <u>47.0</u>                          |
| Cash                    | <u>1.7</u>            | <u>1.0</u>                           |
| Total                   | <u><u>100.0 %</u></u> | <u><u>100.0 %</u></u>                |

1. Long-Term Policy Target approved by the Board on December 2022.

2. Allocations shown here include cash held in separately managed portfolios.



**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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, 2024, the annual money-weighted rate of return on the PERA pension plan investments net of investment expense was 8.049%. For the ERB pension plan, it was 8.649%.

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

State – Funded Divisions of PERA

For the fiscal year ended June 30, 2024, 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, 2023.

**1. 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 \$290 million for the fiscal year ended June 30, 2024.

**2. 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 (expressed in thousands):

| Division      | Net Pension<br>Liability     |
|---------------|------------------------------|
| State General | \$ (4,394,643)               |
| State Police  | 293,541                      |
| Legislative   | 5,665                        |
| Total         | <u><u>\$ (4,095,437)</u></u> |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 11 PENSION PLANS (CONTINUED)**

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

State – Funded Divisions of PERA (Continued)

**2. 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 (expressed in thousands):

|   |                     |
|---|---------------------|
| Governmental Activities (Including Internal Service Funds)                                      | \$ 4,006,928        |
| Business-Type Activities (Including Nonmajor Enterprise Funds and Two Educational Institutions) | 88,509              |
| Total   | <u>\$ 4,095,437</u> |

At June 30, 2024, the State's total proportion of the PERA State Funded Divisions net pension liability was 50.6%. Total contributions for State Funded Divisions were \$250 million, \$40 million, and \$-0- for the three divisions respectively. Pension expense (income) was \$493 million, \$27.5 million, and \$1.8 million respectively.

Single-Employer Funds

The State contributes 100% 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, 2023 (expressed in thousands).

|                               | Judicial          | Volunteer<br>Firefighters | Magistrate       |
|-------------------------------|-------------------|---------------------------|------------------|
| Net Pension Liability (Asset) | <u>\$ 109,880</u> | <u>\$ (28,176)</u>        | <u>\$ 40,719</u> |

**1. Contributions**

Contributions from the State to the PERA Judicial, Magistrate Retirement, and Volunteer Firefighter funds were \$6.7 million, \$2.6 million, and \$.75 million, respectively, for the year ended June 30, 2024.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Single-Employer Funds (Continued)

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

The State reported liabilities of \$110 million and \$41 million for the net pension liabilities of the Judicial and Magistrate Retirement Funds, respectively, which were 100% of the proportionate share. For the year ended June 30, 2024, the State recognized \$7 million as pension expense for the Judicial Retirement Funds. Also, for the year ended June 30, 2024, the State recognized \$7.7 million as pension expense for the Magistrate Retirement Fund, respectively.

The Volunteer Firefighters Retirement Fund reported a plan net asset of \$28.2 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 \$1.2 million.

At June 30, 2024, these plans reported deferred outflow of resources and deferred inflows of resources related to pensions from the following sources (expressed 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                              | \$ 95,602                      | \$ (87,510)                   | \$ 1,694                       | \$ (1,874)                    |
| Changes of Assumptions   | 11,771                         | (2,332)                       | -                              | -                             |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 262,192                        | -                             | 5,151                          | -                             |
| State Contributions Subsequent to Measurement Date                               | 293,567                        | -                             | 5,774                          | -                             |
| Total  | <u>\$ 663,132</u>              | <u>\$ (89,842)</u>            | <u>\$ 12,619</u>               | <u>\$ (1,874)</u>             |

The amounts of \$294 million for governmental activities and \$6 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, 2023, 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 (expressed in thousands):

| Governmental         |            | Business-Type        |          |
|----------------------|------------|----------------------|----------|
| Year Ending June 30, | Amount     | Year Ending June 30, | Amount   |
| 2025                 | \$ 113,941 | 2025                 | \$ 2,025 |
| 2026                 | (60,648)   | 2026                 | (1,078)  |
| 2027                 | 202,445    | 2027                 | 3,597    |
| 2028                 | 23,985     | 2028                 | 427      |
| 2029                 | -          | 2029                 | -        |
| Thereafter           | -          | Thereafter           | -        |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Single-Employer Funds (Continued)

**2. 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 (expressed in thousands).

|  | Governmental                         |                                     |
|--|--------------------------------------|-------------------------------------|
| Volunteer Firefighter's Fund   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences Between Expected and Actual Experiences                              | \$ -                                 | \$ (7,772)                          |
| Changes of Assumptions   | 118                                  | (1,001)                             |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,824                                | -                                   |
| State Contributions Subsequent to Measurement Date                               | 750                                  | -                                   |
| Total  | <u>\$ 3,692</u>                      | <u>\$ (8,773)</u>                   |

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, 2023, 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 (expressed in thousands):

| Year Ending June 30, | Amount     |
|----------------------|------------|
| 2025                 | \$ (1,072) |
| 2026                 | (2,212)    |
| 2027                 | 425        |
| 2028                 | (1,333)    |
| 2029                 | (1,291)    |
| Thereafter           | (348)      |

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

**1. 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, 2024, from the State to the ERB were \$1.7 million for governmental activities and \$199 million from the 12 educational institutions reported as business-type activities.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 PENSION PLANS (CONTINUED)**

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

**2. 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, 2022. Therefore, the employer's portion was established as of the measurement date June 30, 2023. On June 30, 2024, the State reported a liability of \$20 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, 2023, the proportion was .2323% for governmental activities and 25.6251% 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, 2023. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

For the year ended June 30, 2024, the State recognized pension income of \$4.3 million in governmental activities and \$355 million in business-type activities. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

| ERB Fund   | Governmental                   |                               | Business-Type                  |                               |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|  | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences Between Expected and Actual Experiences  | \$ 572                         | \$ (182)                      | \$ 63,076                      | \$ (20,121)                   |
| Changes of Assumptions   | -                              | (2,993)                       | -                              | (330,238)                     |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                           | -                              | (127)                         | -                              | (13,940)                      |
| Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions | -                              | (2,606)                       | 6,468                          | (81,061)                      |
| State Contributions Subsequent to Measurement Date   | 1,740                          | -                             | 199,488                        | -                             |
| Total  | <u>\$ 2,312</u>                | <u>\$ (5,908)</u>             | <u>\$ 269,032</u>              | <u>\$ (445,360)</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 (expressed in thousands):

| Governmental         |            | Business-Type        |              |
|----------------------|------------|----------------------|--------------|
| Year Ending June 30, | Amount     | Year Ending June 30, | Amount       |
| 2024                 | \$ (4,139) | 2024                 | \$ (365,513) |
| 2025                 | (1,645)    | 2025                 | (88,097)     |
| 2026                 | 429        | 2026                 | 75,724       |
| 2027                 | 19         | 2027                 | 2,070        |
| 2028                 | -          | 2028                 | -            |
| Thereafter           | -          | Thereafter           | -            |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 PENSION PLANS (CONTINUED)**

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

**3. Net Pension Liabilities and Related Deferred Inflows/Outflows of Resources Reconciliation to Financial Statements (Expressed in Thousands)**

|                               | Net Pension<br>Asset | Net Pension<br>Liability |   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-------------------------------|----------------------|--------------------------|---|--------------------------------------|-------------------------------------|
| Governmental Activities:      |                      |                          | Governmental Activities:                        |                                      |                                     |
| PERA - State Divisions        | \$ -                 | \$ 4,006,928             | PERA - State Divisions, Judicial and Magistrate | \$ 663,131                           | \$ (89,843)                         |
| PERA - Judicial               | -                    | 109,880                  | PERA - Volunteer Firefighters                   | 3,692                                | (8,773)                             |
| PERA - Magistrate             | -                    | 40,719                   | ERB   | 2,312                                | (5,908)                             |
| PERA - Volunteer Firefighters | (28,176)             | -                        | Total Governmental                              |                                      |                                     |
| ERB                           | -                    | 20,171                   | Activities                                      | 669,135                              | (104,524)                           |
| Total Governmental            |                      |                          | Business-Type Activities :                      |                                      |                                     |
| Activities                    | (28,176)             | 4,177,698                | PERA - State Divisions                          | 12,621                               | (1,873)                             |
| Business-Type Activities :    |                      |                          | ERB   | 269,033                              | (445,360)                           |
| PERA - State Divisions        | -                    | 88,509                   | Total Business-Type                             |                                      |                                     |
| ERB                           | -                    | 2,225,358                | Activities                                      | 281,654                              | (447,233)                           |
| Total Business-Type           |                      |                          | Component Units                                 | 99,839                               | (62,011)                            |
| Activities                    | -                    | 2,313,867                |   |                                      |                                     |
| Component Units               |                      | 329,820                  |   |                                      |                                     |

**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, 2023 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 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 PENSION PLANS (CONTINUED)**

**F. Discount Rates and Sensitivity Analysis (Continued)**

| Public Employees Retirement Association<br>Employer Reporting<br>Sensitivity of the Net Pension Liability to<br>Changes in the Discount Rate<br>(Expressed in Thousands) |                           |  |                           |
|--|---------------------------|--|---------------------------|
| Net Pension Liability  | 1%<br>Decrease<br>(6.25%) | Current<br>Discount<br>Rate<br>(7.25%) | 1%<br>Increase<br>(8.25%) |
| State-Funded Divisions   | \$ 5,446,482              | \$ 4,095,437                           | \$ 2,971,379              |
| Single-Employer Funds:   |                           |  |                           |
|  | (4.54%)                   | (5.54%)                                | (6.54%)                   |
| Judicial   | \$ 134,175                | \$ 109,880                             | \$ 89,392                 |
|  | (6.25%)                   | (7.25%)                                | (8.25%)                   |
| Volunteer Firefighters   | \$ (22,332)               | \$ (28,176)                            | \$ (33,061)               |
|  | (4.84%)                   | (5.84%)                                | (6.84%)                   |
| Magistrate   | \$ 48,769                 | \$ 40,719                              | \$ 33,979                 |

**ERB**

A single discount rate of 7.00% was used to measure the Total Pension Liability as of June 30, 2023. 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**  
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**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 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

| Educational Retirement Board<br>Employer Reporting<br>Sensitivity of the Net Pension Liability to<br>Changes in the Discount Rate<br>(Expressed in Thousands) |                        |                                     |                        |
|---|------------------------|-------------------------------------|------------------------|
| Net Pension Liability   | 1%<br>Decrease<br>(6%) | Current<br>Discount<br>Rate<br>(7%) | 1%<br>Increase<br>(8%) |
| State Employees<br>(Governmental Activities)  | \$ 27,421              | \$ 20,171                           | \$ 14,182              |
| Educational Institution Employees<br>(Business-Type Activities)   | 3,025,184              | 2,225,358                           | 1,564,607              |
| Total Primary Government- ERB   | <u>\$ 3,052,605</u>    | <u>\$ 2,245,529</u>                 | <u>\$ 1,578,789</u>    |

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. Plan Description**

In addition to pension benefits as described in Note 11, 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, 2024**

**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 (the 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, multiemployer defined benefit postemployment health care plan (the 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 12<sup>th</sup> 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, *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, the Magistrate Retirement Act, or the Public Employees Retirement Act.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
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**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                                      | <u>159,125</u>    |
| 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                                      | <u>93,595</u>     |
| Total Number of Participating Employers    | <u><u>302</u></u> |

**B. Single Employer Postemployment Plans**

Plan Description for UNM

**1. 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  
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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**B. Single Employer Postemployment Plans (Continued)**

Plan Description for UNM (Continued)

**2. 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

**1. 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, 2024, 1,298 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, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**B. Single Employer Postemployment Plans (Continued)**

Plan Description for New Mexico State University (Continued)

**2. 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, 2024, the following employees were covered by the benefit terms: Current retirees receiving benefits – 1,709 and current active members – 1,383.

Plan Description for NM Institute of Mining and Technology

**1. 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  
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**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 \$5 (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% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from NMRHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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, 2024, for regular state employees, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% 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, 2024, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% 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% cap, which expired in fiscal year 2008 per Chapter 10-7C-13, NMSA 1978.

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**NOTES TO FINANCIAL STATEMENTS**  
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**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

**1. 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.

**2. 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  
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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

NMSU

**1. 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 2024 were \$4.1 million, net of retiree contributions.

NMIMT

**1. 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.

**2. 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, 2024.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
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**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<br>NAV Practical Expedient | Fair<br>Value<br>June 30, 2024 | Redemption<br>Frequency | Redemption<br>Notice Period |
|--|--------------------------------|-------------------------|-----------------------------|
| U.S. Large Cap Index Pool                          | \$ 278,987                     | 4 Times Per Year        | 3 Months                    |
| Non U.S. Emerging Markets Index Pool               | 120,677                        | Daily                   | 5 Business Days             |
| Non U.S. Developed Markets Index Pool              | 199,771                        | 4 Times Per Year        | 3 Months                    |
| Private Equity Pool                                | 210,578                        | 4 Times Per Year        | 3 Months                    |
| Private Debt Market Pool                           | 226,315                        | Daily                   | 5 Business Days             |
| Real Estate Pool                                   | 134,576                        | 4 Times Per Year        | 3 Months                    |
| U.S. Small/Mid Cap Active Pool                     | 31,131                         | Daily                   | 5 Business Days             |
| Real Return Pool                                   | 76,743                         | 4 Times Per Year        | 3 Months                    |
| Core Bond Pool                                     | 234,424                        | Daily                   | 5 Business Days             |
| Total  | <u>\$ 1,513,202</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  
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**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, 2024, 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  |
| Actuarial Assumptions:      |   |
| Inflation                   | 2.30% for ERB; 2.50% for PERA   |
| Projected payroll increases | 3.00% to 13.00% based on years of service, including inflation  |
| Investment rate of return   | 7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation   |
| Discount rate               | 7.00%   |
| 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<br>June 30, | Annual Money-<br>Weighted Rate<br>of Return |
|------------------------|---|
| 2024                   | 11.47 %                                     |

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, 2024:

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**E. Funded Status (Continued)**

Actuarial Assumptions (Continued)

| Asset Class                   | Target<br>Allocations |
|-------------------------------|-----------------------|
| U.S. Core Fixed Income        | 20 %                  |
| U.S. Equity - Large Cap       | 14                    |
| Non U.S. - Emerging Markets   | 10                    |
| Non U.S. - Developed Equities | 14                    |
| Private Equity                | 10                    |
| Private Debt Market           | 15                    |
| Real Estate                   | 10                    |
| Real Return                   | 5                     |
| U.S. Equity - Small/Mid Cap   | 2                     |
| Total                         | 100 %                 |

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:

| Asset Class                   | Long-Term<br>Rate of Return |
|-------------------------------|-----------------------------|
| 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, 2024. 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 7% as of June 30, 2024. 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  
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**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.

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-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

|                    | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 2,250,750           | \$ 1,784,800                        | \$ 1,402,841           |

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 (expressed in thousands):

|                    | 1% Decrease  | Current Trend | 1% Increase  |
|--------------------|--------------|---------------|--------------|
| Net OPEB Liability | \$ 1,379,274 | \$ 1,784,800  | \$ 2,826,241 |

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, 2024. The component of net OPEB liability as of June 30, 2024, is as follows:

|                             | June 30, 2024       |
|-----------------------------|---------------------|
| Total OPEB Liability        | \$ 3,366,767        |
| Plan Fiduciary Net Position | (1,581,967)         |
| Net OPEB Liability          | <u>\$ 1,784,800</u> |

|  |        |
|--|--------|
| Plan Fiduciary Net Position as a Percentage of<br>the Total OPEB Liability | 46.99% |
|--|--------|

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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, 2024, from the State to the RHCA were \$30.2 million for governmental activities and \$3.7 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, 2024, the State reported a liability of \$400 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, 2023, 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, 2023.

For the year ended June 30, 2024, 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, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

| RHCA   | Governmental                   |                               | Business-Type                  |                               |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|  | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences Between Expected and Actual Experiences  | \$ 6,756                       | \$ (72,355)                   | \$ 853                         | \$ (9,137)                    |
| Changes of Assumptions   | 76,909                         | (376,994)                     | 9,713                          | (47,609)                      |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                           | 8,545                          | -                             | 1,078                          | -                             |
| Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions | 2,881                          | (12,863)                      | 5,783                          | (9,203)                       |
| State Contributions Subsequent to Measurement Date   | 30,299                         | -                             | 3,704                          | -                             |
| Total  | <u>\$ 125,390</u>              | <u>\$ (462,212)</u>           | <u>\$ 21,131</u>               | <u>\$ (65,949)</u>            |

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, 2024**

**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 (expressed in thousands):

| Governmental         |              | Business-Type        |             |
|----------------------|--------------|----------------------|-------------|
| Year Ending June 30, | Amount       | Year Ending June 30, | Amount      |
| 2025                 | \$ (105,867) | 2025                 | \$ (14,574) |
| 2026                 | (74,924)     | 2026                 | (9,778)     |
| 2027                 | (97,614)     | 2027                 | (12,316)    |
| 2028                 | (67,052)     | 2028                 | (8,487)     |
| 2029                 | (21,664)     | 2029                 | (3,367)     |
| 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%) or 1-percentage-point higher (6.42%) than the current discount rate:

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

| Net OPEB Liability       | 1%<br>Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
|--------------------------|---------------------------|-------------------------------------|---------------------------|
| Governmental Activities  | \$ 503,847                | \$ 399,639                          | \$ 315,170                |
| Business-Type Activities | 63,629                    | 50,469                              | 39,802                    |
| Total Primary            |                           |                                     |                           |
| Government - RHCA        | <u>\$ 567,476</u>         | <u>\$ 450,108</u>                   | <u>\$ 354,972</u>         |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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<br>Sensitivity of the Net Pension Liability to<br>Changes in the Trend Rate<br>(Expressed in Thousands) |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| Net OPEB Liability   | 1%<br>Decrease    | Current<br>Rate   | 1%<br>Increase    |
| Governmental Activities  | \$ 330,861        | \$ 399,639        | \$ 478,630        |
| Business-Type Activities   | 41,783            | 50,469            | 60,445            |
| Total Primary  |                   |                   |                   |
| Government - RHCA  | <u>\$ 372,644</u> | <u>\$ 450,108</u> | <u>\$ 539,075</u> |

**H. Single Employer Plans**

**1. UNM**

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

The University's net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, but adjusted for a change in the discount rate. The components of the net OPEB liability of the University at June 30, 2024 was as follows (expressed in thousands):

|                                 | June 30, 2024     |
|---------------------------------|-------------------|
| Total OPEB Liability            | \$ 189,655        |
| Plan Fiduciary Net Position     | (61,424)          |
| University's Net OPEB Liability | <u>\$ 128,231</u> |

|   |        |
|---|--------|
| Plan Fiduciary Net Pension as a Percentage<br>of the Total OPEB Liability | 32.39% |
|---|--------|

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**1. UNM (Continued)**

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

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |  |
|------------------------------|--|
| Inflation                    | 3.0%   |
| Salary Increases             | 2.0%   |
| Investment Rate of Return    | 8.0%, net of OPEB plan investment expense, including inflation   |
| Health Care Cost Trend Rates | Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years<br>Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years<br>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-2021.

*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, 2024 was 5.85%.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**1. UNM (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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, 2024, 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 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current discount rate (expressed in thousands).

|                    | 1% Decrease<br>(4.85%) | Current<br>Discount Rate<br>(5.85%) | 1% Increase<br>(6.85%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 153,314             | \$ 128,231                          | \$ 107,439             |

*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 3.25%, Dental: 3%) or one percentage point higher (Pre-Medicare: 8.8% decreasing to 5.5%, Post-Medicare: 8.8% decreasing to 5.5%, Dental: 5%) than the current healthcare cost trend rates (expressed in thousands).

|                    | 1% Decrease | Current<br>Discount | 1% Increase |
|--------------------|-------------|---------------------|-------------|
| Net OPEB Liability | \$ 107,517  | \$ 128,231          | \$ 153,282  |

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

For the year ended June 30, 2024, the University recognized OPEB expense of \$6.9 million. At June 30, 2024 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



**STATE OF NEW MEXICO**  
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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**1. UNM (Continued)**

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

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

|   | Year Ended June 30, 2024<br>(in Thousands) |                                     |
|---|--|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources       | Deferred<br>Inflows of<br>Resources |
| Differences Between Expected and Actual Experience                            | \$ 11,044                                  | \$ (25,614)                         |
| Changes of Assumptions  | 32,982                                     | (4,598)                             |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | 5,690                                      | -                                   |
| Contributions Subsequent to the Measurement Date                              | 7,333                                      | -                                   |
| Total   | <u>\$ 57,049</u>                           | <u>\$ (30,212)</u>                  |

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, 2024 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

| <u>Year Ending June 30,</u> | <u>Amount</u>    |
|-----------------------------|------------------|
| 2025                        | \$ 2,552         |
| 2026                        | 6,685            |
| 2027                        | 7,714            |
| 2028                        | 1,179            |
| 2029                        | 1,374            |
| Thereafter                  | -                |
| Total                       | <u>\$ 19,504</u> |

**2. 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 2024:

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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**2. NMSU (Continued)**

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

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Total OPEB Liability - Beginning of Year<br>(July 1, 2023) | \$ 130,659              |
| Changes for the Year:                                      |                         |
| Service Cost   | 4,104                   |
| Interest Cost  | 4,827                   |
| Differences Between Expected and Actual<br>Experience      | (5,184)                 |
| Changes in Assumptions or Other Inputs                     | 10288                   |
| Benefit Payments   | (5,032)                 |
| Net Changes  | 9,003                   |
| Net OPEB Liability - End of Year (June 30, 2024)           | \$ 139,662              |

*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, 2024, 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, 2024  |
| Measurement Date     | June 30, 2024  |
| Discount Rate        | 3.93% per annum (EOY)<br>Source: Bond Buyer 20-Bond GO Index                         |
| Salary Increase Rate | 2.5% per annum   |
| Medicare Eligibility | All current and future retirees are assumed<br>to be eligible for Medicare at age 65 |

**STATE OF NEW MEXICO  
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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**2. NMSU (Continued)**

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

*Actuarial Methods and Assumptions (Continued)*

|                            |   |
|----------------------------|---|
| Healthcare 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 7.75% for retirees 65 years of age and under and 6.75% for retirees over 65 years of age and on an ultimate basis at 4.00%. The select trend rates are reduced 0.30% each year until reaching the ultimate trend. |
|----------------------------|---|

|                              |  |
|------------------------------|--|
| Per Capita Health Claim Cost | Expected pre-Medicare retiree claim costs were developed by applying age adjustments to the current fully insured premiums. The annual age 60 claim costs retirees and their spouses is \$9,456. The age 70 costs for retirees is \$3,336. |
|------------------------------|--|

|                |   |
|----------------|---|
| Mortality Rate | PUB-2010 mortality table with generational scale MP-2021. |
|----------------|---|

*Discount Rate*

A single discount rate of 3.93% was used to measure the total OPEB liability as of June 30, 2024.

*Health Care Trend Sensitivity Analysis*

The following schedules measure the Net OPEB Liability if the health care cost trend rate used was 1-percentage-point higher than the assumed health care cost trend rate and 1-percentage-point lower than the assumed health care cost trend rate for June 30, 2024 (expressed in thousands).

|   | <u>1% Decrease</u> | <u>Current Trend</u> | <u>1% Increase</u> |
|---|--------------------|----------------------|--------------------|
| New Mexico State University's<br>Net OPEB Liability | <u>\$ 122,941</u>  | <u>\$ 139,662</u>    | <u>\$ 160,278</u>  |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**2. NMSU (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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 2024. 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 1-percentage-point lower, (2.93%) or 1-percentage-point higher, (4.93%) than the single discount rate for June 30, 2024 (expressed in thousands).

|   | 1% Decrease<br>(2.93%) | Current<br>Discount Rate<br>(3.93%) | 1% Increase<br>(4.93) |
|---|------------------------|-------------------------------------|-----------------------|
| New Mexico State University's<br>Net OPEB Liability | <u>\$ 159,157</u>      | <u>\$ 139,662</u>                   | <u>\$ 123,687</u>     |

For the year ended June 30, 2024, the University recognized an OPEB expense of \$548 thousand. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and<br>Actual Experience | \$ -                                 | \$ (9,737)                          |
| Changes of Assumptions                                | 7,262                                | (9,397)                             |
| Total   | <u>\$ 7,262</u>                      | <u>\$ (19,134)</u>                  |

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

| <u>Year Ending June 30,</u> | <u>Amount</u>    |
|-----------------------------|------------------|
| 2025                        | \$ 10,066        |
| 2026                        | 2,275            |
| 2027                        | (471)            |
| 2028                        | -                |
| Total                       | <u>\$ 11,872</u> |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**3. NMIMT**

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

The Institute's net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024.

The components of the Institute's net OPEB liability at June 30 2024, were as follows (expressed in thousands):

|                                    | <u>June 30, 2024</u>    |
|------------------------------------|-------------------------|
| Total OPEB Liability               | \$ 52,666               |
| Plan Fiduciary Net Position        | <u>(4,524)</u>          |
| The Institute's Net OPEB Liability | <u><u>\$ 48,142</u></u> |

|  |    |
|--|----|
| Plan Fiduciary Net Position as a Percentage<br>of Total OPEB Liability | 9% |
|--|----|

*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, 2024, 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: 7.5% initially,<br>reduced by decrements to a rate of 4.5%<br>after 10 years.<br>Medical Post-Medicare: 6.25% initially,<br>reduced by decrements to a rate of 4.5%<br>after 10 years consistent for next seven<br>years.<br>Pharmacy: 12% initially, reduced by<br>decrement to a rate of 4.5% after 10 years<br>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, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**3. NMIMT (Continued)**

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

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.66%, 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, 2024, 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%) or 1-percentage-point higher (4.54%) than the current rate (expressed in thousands):

|                    | 1% Decrease<br>(2.66%) | Current<br>Discount Rate<br>(3.66%) | 1% Increase<br>(4.66%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 58,186              | \$ 48,142                           | \$ 40,217              |

*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, 2024, 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 (expressed in thousands):

|                    | 1% Decrease | Current<br>Discount | 1% Increase |
|--------------------|-------------|---------------------|-------------|
| Net OPEB Liability | \$ 39,769   | \$ 48,142           | \$ 58,989   |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**3. NMIMT (Continued)**

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

For the year ended June 30, 2024, the Institute recognized OPEB expenses of \$4.4 million. At June 30, 2024, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference Between Actual and Expected Experience                            | \$ 7,964                             | \$ (8,126)                          |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investment | 290                                  | -                                   |
| Changes of Assumptions   | 10,357                               | (12,867)                            |
| Institute Contribution Subsequent to the Measurement Date                    | 819                                  | -                                   |
| Total  | <u>\$ 19,430</u>                     | <u>\$ (20,993)</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 (expressed in thousands):

| <u>Year Ending June 30,</u> | <u>Amounts</u>    |
|-----------------------------|-------------------|
| 2024                        | \$ (103)          |
| 2025                        | (137)             |
| 2026                        | 270               |
| 2027                        | 599               |
| 2028                        | 343               |
| Thereafter                  | (3,354)           |
| Total                       | <u>\$ (2,382)</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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 IRC 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 bond's 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 IRS.



**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 15 SEGMENT INFORMATION**

|  | State Fair<br>Commission | Miners'<br>Colfax<br>Medical<br>Center | Educational Institutions          |                                     |                                       |  |                                     |                                     |                                |
|--|--------------------------|--|-----------------------------------|-------------------------------------|---------------------------------------|--|-------------------------------------|-------------------------------------|--------------------------------|
|  |                          |  | New Mexico<br>State<br>University | Eastern<br>New Mexico<br>University | New Mexico<br>Highlands<br>University | New Mexico<br>Institute of<br>Mining and<br>Technology | New Mexico<br>Military<br>Institute | Western<br>New Mexico<br>University | University<br>of New<br>Mexico |
| Condensed Statement of Net Position:   |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Current Assets                         | \$ 5,529                 | \$ 9,475                               | \$ 250,815                        | \$ 49,967                           | \$ 24,393                             | \$ 121,675   | \$ 42,366                           | \$ 55,834                           | \$ 1,580,522                   |
| Other Assets                           | 58,978                   | 1,007                                  | 254,800                           | 97,486                              | 36,885                                | 103,885  | 66,068                              | 7,595                               | 708,241                        |
| Capital Assets, Net                    | 38,027                   | 20,011                                 | 540,471                           | 211,557                             | 99,275                                | 167,070  | 90,014                              | 89,180                              | 2,032,378                      |
| Total Assets                           | 102,534                  | 30,493                                 | 1,046,086                         | 359,010                             | 160,553                               | 392,630  | 198,448                             | 152,609                             | 4,321,141                      |
| Deferred Outflows of Resources         | 1,152                    | 7,803                                  | 63,681                            | 17,842                              | 14,419                                | 32,114   | 5,962                               | 11,949                              | 222,822                        |
| Current Liabilities                    | 2,461                    | 3,985                                  | 95,418                            | 33,059                              | 24,927                                | 29,730   | 7,326                               | 10,275                              | 672,359                        |
| Long-Term Liabilities                  | 6,823                    | 49,383                                 | 755,138                           | 142,364                             | 93,945                                | 183,805  | 57,688                              | 84,570                              | 2,259,814                      |
| Total Liabilities                      | 9,284                    | 53,368                                 | 850,556                           | 175,423                             | 118,872                               | 213,535  | 65,014                              | 94,845                              | 2,932,173                      |
| Deferred Inflows of Resources          | 62,091                   | 5,683                                  | 155,551                           | 40,146                              | 24,970                                | 42,725   | 12,675                              | 27,658                              | 309,486                        |
| Net Investment in Capital Assets       | 38,028                   | 14,996                                 | 417,479                           | 176,599                             | 76,556                                | 147,356  | 71,139                              | 68,071                              | 1,243,991                      |
| Restricted                             | 458                      | 1,006                                  | 68,948                            | 25,283                              | 746                                   | 12,818   | 41,854                              | 10,176                              | 170,287                        |
| Unrestricted                           | (6,175)                  | (36,757)                               | (382,767)                         | (40,599)                            | (46,172)                              | 8,310  | 13,728                              | (36,192)                            | (111,974)                      |
| Total Net Position                     | <u>\$ 32,311</u>         | <u>\$ (20,755)</u>                     | <u>\$ 103,660</u>                 | <u>\$ 161,283</u>                   | <u>\$ 31,130</u>                      | <u>\$ 168,484</u>                                      | <u>\$ 126,721</u>                   | <u>\$ 42,055</u>                    | <u>\$ 1,302,304</u>            |
| Condensed Statement of Activities:     |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Operating Revenues:                    |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Charges for Services                   | \$ 13,899                | \$ 28,936                              | \$ 11,515                         | \$ 7,286                            | \$ 1,397                              | \$ 5,941   | \$ 9,068                            | \$ 6,278                            | \$ 110,086                     |
| Net Student Tuition and Fees           | -                        | -                                      | 45,783                            | 862                                 | 9,034                                 | 8,115  | 2,750                               | 15,017                              | 109,679                        |
| Loan and Other Income                  | 4                        | 551                                    | -                                 | -                                   | 56                                    | -  | -                                   | 133                                 | -                              |
| State, Local, Private Grants/Contracts | -                        | -                                      | -                                 | -                                   | -                                     | -  | -                                   | -                                   | -                              |
| Patient Income                         | -                        | -                                      | -                                 | -                                   | -                                     | -  | -                                   | -                                   | 1,819,035                      |
| Federal Funds                          | -                        | 1,958                                  | 117,781                           | 26,933                              | 19,922                                | 92,192   | 897                                 | 9,773                               | 316,136                        |
| Other Operating Revenues               | 36                       | 167                                    | 65,867                            | 1,162                               | 6,798                                 | 26,287   | 3,302                               | 5,253                               | 273,927                        |
| Total Operating Revenue                | 13,939                   | 31,612                                 | 240,946                           | 36,243                              | 37,207                                | 132,535  | 16,017                              | 36,454                              | 2,628,863                      |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 15 SEGMENT INFORMATION (CONTINUED)**

|  | State Fair<br>Commission | Miners'<br>Colfax<br>Medical<br>Center | Educational Institutions          |                                     |                                       |  |                                     |                                     | University<br>of New<br>Mexico |
|--|--------------------------|--|-----------------------------------|-------------------------------------|---------------------------------------|--|-------------------------------------|-------------------------------------|--------------------------------|
|  |                          |  | New Mexico<br>State<br>University | Eastern<br>New Mexico<br>University | New Mexico<br>Highlands<br>University | New Mexico<br>Institute of<br>Mining and<br>Technology | New Mexico<br>Military<br>Institute | Western<br>New Mexico<br>University |                                |
| Condensed Statement of Activities<br>(Continued) |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Operating Expenses:                              |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Operating Expenses                               | \$ 9                     | \$ 18                                  | \$ 154,381                        | \$ 35,165                           | \$ 29,999                             | \$ 83,314  | \$ 18,057                           | \$ 41,751                           | \$ -                           |
| Depreciation Expense                             | 2,069                    | 2,379                                  | 41,416                            | 10,289                              | 6,421                                 | 15,150   | 4,562                               | 6,216                               | 134,817                        |
| General and Administrative                       | 15,457                   | 34,339                                 | 332,318                           | 70,074                              | 52,345                                | 75,530   | 16,238                              | 28,429                              | 2,726,265                      |
| Total Operating Expenses                         | 17,535                   | 36,736                                 | 528,115                           | 115,528                             | 88,765                                | 173,994  | 38,857                              | 76,396                              | 2,861,082                      |
| <b>OPERATING INCOME (LOSS)</b>                   | (3,596)                  | (5,124)                                | (287,169)                         | (79,285)                            | (51,558)                              | (41,459)   | (22,840)                            | (39,942)                            | (232,219)                      |
| Nonoperating Revenue (Expense):                  |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Government Grants and<br>Contracts               | -                        | -                                      | 7,210                             | 5,992                               | -                                     | -  | -                                   | -                                   | -                              |
| Net Investment Income                            | 601                      | -                                      | 24,052                            | 17,948                              | 4,026                                 | 11,534   | 5,223                               | 1,701                               | 7,171                          |
| Other Revenue                                    | -                        | -                                      | 8,398                             | -                                   | -                                     | 3,272  | (2,107)                             | -                                   | 267,751                        |
| Interest Expense                                 | -                        | (145)                                  | (4,423)                           | (987)                               | -                                     | -  | (394)                               | -                                   | (23,145)                       |
| Private Grants And Gifts                         | -                        | -                                      | 12,123                            | -                                   | 2,677                                 | -  | -                                   | -                                   | 58,880                         |
| Gain (Loss) On Sale Of Capital Assets            | -                        | -                                      | (608)                             | -                                   | -                                     | -  | -                                   | (711)                               | (24)                           |
| Total Nonoperating Income<br>(Expense)           | 601                      | (145)                                  | 46,752                            | 22,953                              | 6,703                                 | 14,806   | 2,722                               | 990                                 | 310,633                        |
| Capital Contributions                            | -                        | -                                      | 10,543                            | 7,082                               | -                                     | 2,146  | 1,834                               | -                                   | 279                            |
| Permanent Fund Contributions                     | -                        | -                                      | 3,678                             | -                                   | 500                                   | 2,350  | -                                   | -                                   | -                              |
| Net Transfers                                    | 2,682                    | 11,297                                 | 476,676                           | 112,063                             | 69,495                                | 84,762   | 42,306                              | 67,537                              | 561,585                        |
| <b>CHANGE IN NET POSITION</b>                    | (313)                    | 6,028                                  | 250,480                           | 62,813                              | 25,140                                | 62,605   | 24,022                              | 28,585                              | 640,278                        |
| Net Position - Beginning                         | 32,624                   | (26,783)                               | (146,820)                         | 98,470                              | 5,990                                 | 105,879  | 102,699                             | 13,470                              | 662,026                        |
| <b>NET POSITION - ENDING</b>                     | <u>\$ 32,311</u>         | <u>\$ (20,755)</u>                     | <u>\$ 103,660</u>                 | <u>\$ 161,283</u>                   | <u>\$ 31,130</u>                      | <u>\$ 168,484</u>                                      | <u>\$ 126,721</u>                   | <u>\$ 42,055</u>                    | <u>\$ 1,302,304</u>            |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 SEGMENT INFORMATION (CONTINUED)**

|   | State Fair<br>Commission | Miners'<br>Colfax<br>Medical<br>Center | Educational Institutions          |                                     |                                       |  |                                     |                                     | University<br>of New<br>Mexico |
|---|--------------------------|--|-----------------------------------|-------------------------------------|---------------------------------------|--|-------------------------------------|-------------------------------------|--------------------------------|
|   |                          |  | New Mexico<br>State<br>University | Eastern<br>New Mexico<br>University | New Mexico<br>Highlands<br>University | New Mexico<br>Institute of<br>Mining and<br>Technology | New Mexico<br>Military<br>Institute | Western<br>New Mexico<br>University |                                |
| Condensed Statement of Cash Flows:                |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Net Cash Provided (Used) by:                      |                          |  |                                   |                                     |                                       |  |                                     |                                     |                                |
| Operating Activities                              | \$ (441)                 | \$ (7,738)                             | \$ (361,349)                      | \$ (94,351)                         | \$ (60,061)                           | \$ (43,559)  | \$ (29,789)                         | \$ (40,131)                         | \$ (580,399)                   |
| Noncapital Financing Activities                   | 2,682                    | 11,297                                 | 147,476                           | 108,803                             | 64,657                                | 68,421   | 3,123                               | 56,182                              | 861,800                        |
| Capital and Related Financing<br>Activities       | (2,841)                  | (2,435)                                | (13,637)                          | (393)                               | (4,858)                               | (4,571)  | 2,099                               | (3,352)                             | (140,811)                      |
| Investing Activities                              | 593                      | -                                      | 294,927                           | (6,344)                             | (20,267)                              | (17,071)   | 29,384                              | 1,576                               | 74,893                         |
| Cash and Cash Equivalents at<br>Beginning of Year | 3,225                    | 838                                    | 131,742                           | 26,640                              | 26,192                                | 27,411   | 32,229                              | 16,891                              | 444,226                        |
| Cash and Cash Equivalents at<br>End of Year       | <u>\$ 3,218</u>          | <u>\$ 1,962</u>                        | <u>\$ 199,159</u>                 | <u>\$ 34,355</u>                    | <u>\$ 5,663</u>                       | <u>\$ 30,631</u>                                       | <u>\$ 37,046</u>                    | <u>\$ 31,166</u>                    | <u>\$ 659,709</u>              |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 STATE GENERAL FUND INVESTMENT POOL**

The Financial Control Division (FCD), within the Department of Finance and Administration (DFA), in collaboration with the New Mexico State Treasurer's Office (STO), implemented a comprehensive reconciliation model that compared aggregated agency claims on the State General Fund Investment Pool (SGFIP) to the associated resources held by STO. There have been many reviews of the process, and each review has deemed it to be adequate and in compliance with established procedures. For fiscal year 2024, 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 GASB Statement No. 77 *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, 2024**

**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.

**NOTE 18 COMMITMENTS**

**A. Construction Commitments**

The State has active construction projects as of June 30, 2024. The projects include highway construction, university infrastructure, and facilities construction and renovation. At year-end, the State's commitments for construction were \$467.3 million for governmental activities and \$212 million for business-type activities.

**B. Loan Commitments**

New Mexico Environment Department

The New Mexico Environment Department had loan commitments at June 30, 2024 of the following:

- Wastewater Loan Construction Fund – the agency has executed binding commitments to disburse \$33.4 million for future loans.
- Rural Infrastructure Loan Fund – the agency has executed binding commitments to disburse \$2. million for loans and grants.

New Mexico Energy, Mineral, and Natural Resources Department

The Department had contractual commitments related to various capital projects on June 30, 2024, related to projects in progress. On June 30, 2024, the Department spent \$3,302,711 on these projects and had remaining contractual commitments of \$3,347,278. These projects are funded through the Capital Projects GGRT Funds.

Carlsbad Brine Well construction has been completed, and monitoring of the project will continue through fiscal year 2026.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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, 2024, unfunded commitments to private equity partnerships were approximately \$3.02 billion, unfunded commitments to real estate and real asset investments were approximately \$4.43 billion, and unfunded commitment to the Private Debt Pool was \$3.40 billion. Due to the nature of these investments, the Office cannot predict when these capital contributions will be called. Subsequent to June 30, 2024, the Office approved an additional \$1.54 billion of commitments to private equity, real estate, and real asset partnerships.

**NOTE 19 CONTINGENCIES**

**A. Contingent Liabilities**

66500 - Department of Health

A complaint was filed on February 14, 2025. The complaint claims that the Department of Health violated the Inspection of Public Records Act (IPRA) by failing to produce documents responsive to an IPRA request from September 2023. The damages in this case are not likely to exceed \$350,000; however, damages could be significant if the plaintiff is awarded damages plus attorneys' fees and costs, as permitted under IPRA.

New Mexico Mortgage Finance Authority

The New Mexico Mortgage Finance Authority (the Authority) 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 Authority provide credit enhancements for third party multifamily housing project loans. HUD has assumed 90% of the risk and the Authority guarantees the remaining 10% risk of loss in the event of a default on specific loans.

As of September 30, 2024 and 2023, the Authority is committed to assume a risk of approximately \$4,110,000 and \$4,373,000 for the 34 loans closed, respectively.

These loans are considered in the Authority's assessment for the allowance for mortgage loan losses. As of September 30, 2024, of the 34 loans closed, four of the loans are not included in the Authority's financial statements because they are 100% participation with Fannie Mae. Of the \$4,110,000 risk assumed as of September 30, 2024, the Authority's assumed risk approximated \$143,000 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 Authority will make up any shortfall resulting from the sale of the collateral on a 90%/10% pro rata basis.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 19 CONTINGENCIES (CONTINUED)**

**A. Contingent Liabilities (Continued)**

New Mexico Mortgage Finance Authority (Continued)

The Authority 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, 2024. As of September 30, 2024 and 2023, the Authority is committed to assume a risk of approximately \$98,000 and \$101,000 for the one loan closed, respectively.

**B. Other Matters**

Federal Funds

In fiscal year 2024, the State received federal financial assistance for specific purposes. The expenditure of this assistance is subject to audit. Audits may result in expenditures that are disallowed or findings of noncompliance under the terms and conditions of the federal financial assistance. To the extent there are any disallowances or findings of noncompliance relevant to federal financial assistance, the State does not believe such determinations will have a material effect on its financial position.

Additionally, federal executive branch policy changes have the potential to impact federal financial assistance to the State. While the specific impacts of these changes are currently unknown, the State will continue to monitor them and take appropriate steps necessary to address any future financial concerns they may cause.

**NOTE 20 SUBSEQUENT EVENTS**

**A. Bond Issues**

34103- Board of Finance/Department of Finance and Administration

On December 30, 2024, General Fund liquidity account purchased two notes in total of 324,431,934, Series STB 2024S-C 180,232,729 and Series SSTB 2024S-D 144,199,205, respectively.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 20 SUBSEQUENT EVENTS (CONTINUED)**

**A. Bond Issues (Continued)**

34103- Board of Finance/Department of Finance and Administration (Continued)

Subject to certain statutory minimum transfers to the Severance Tax Permanent Fund provided for in NMSA 1978, Section 7-27-8 and NMSA 1978, Section 7-27-10.2, NMSA 1978 Section 7-27-8 requires that on each December 31 and each June 30 the State Treasurer shall transfer to the Severance Tax Permanent Fund all money in the Severance Tax Bonding Fund except the amount necessary to meet all principal and interest payments on outstanding senior and supplemental severance tax bonds payable from the Severance Tax Bonding Fund on the next two ensuing semiannual payment dates. The amount necessary to meet such principal and interest payments on bonds on January 1, 2025 and July 1, 2025, that should be retained in the Severance Tax Bonding Fund in accordance with NMSA 1978 Section 7-27-8 is \$202,057,750.00. In addition to such statutory requirements, NMSA 1978, Section 7-27-8 and NMSA 1978, Section 7-27-10.2 provide for minimum amounts to be transferred to the Severance Tax Permanent Fund each year. The amount to be transferred in the current year is projected to exceed the applicable statutory minimum transfers.

38500 – New Mexico Finance Authority

On October 1, 2024, New Mexico Finance Authority (NMFA) issued PPRF 2024B bonds in the amount of \$45.3 million. On February 25, 2025, issued PPRF 2025A bonds in the amount of \$99.2 million.

81400 – New Mexico Mortgage Finance Authority

On February 26, 2025, the Authority issued \$72,000,000 (2025 Series A) and \$48,000,000 (2025 Series B) of Single-Family Mortgage Program Class I Bonds under the 2005 General Indenture.

**B. Other Events**

35000 – General Service Department

Effective July 1, 2024, the Group Insurance Premium Stabilization fund (SHARE fund 75200) and Insurance Carrier Fund (SHARE fund 56100) have been administratively reassigned to the New Mexico Health Care Authority (SHARE Business Unit 63000) in accordance with 2024 Senate Bill 14.



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 20 SUBSEQUENT EVENTS (CONTINUED)**

**B. Other Events (Continued)**

63000 – Health Care Authority

Effective July 1, 2024, the New Mexico Human Services Department will be renamed the New Mexico Health Care Authority, following the integration of several departments from various state agencies. This restructuring is based on legislation passed by the State Legislature in 2023 and 2024 and includes the transfer of the State Employee Benefits team, the Developmental Disabilities Supports Division, the Division of Health Improvement, and the Health Care Affordability Fund. The reorganization aims to enhance the delivery of comprehensive, cost-effective, and accessible health care services while addressing key challenges such as improving health care access in rural areas, strengthening the behavioral health system, and supporting individuals and families facing poverty and food insecurity. By consolidating services under one entity, the agency seeks to streamline operations, optimize health care purchasing, and create a unified approach to health care policy and regulation. The financial impact of these changes will be assessed in the coming fiscal year and reflected in the agency's financial statements as necessary.

68000- Office of Family Representation and Advocacy

The Office of Family Representation and Advocacy (OFRA) was created by the New Mexico Legislature in 2022 under NMSA 1978, §32A-27-1 et seq. It is an Executive Branch agency led by an Executive Director and overseen by a 13-member Commission, which includes youth and parent representatives. The Commission is responsible for appointing the Executive Director, setting policies, and approving the budget. OFRA is funded through state general funds and federal Title IV-E funds, with the ability to accept gifts and grants.

OFRA provides legal representation in cases under the New Mexico Children's Code, including abuse and neglect, families in need of court-ordered services, and extended foster care. It also offers consultations for parents considering voluntary child placement. OFRA's practice model emphasizes manageable caseloads, appropriate compensation, and access to interdisciplinary support, improving outcomes such as fewer placement disruptions, quicker permanency, and reduced maltreatment upon reunification.

66500- Department of Health

DOH settled a Complaint for damages for alleged violations of the New Mexico Whistleblower Protection Act and the New Mexico Human Rights Act on March 1, 2025, in the amount of \$525,000.00.

Per SB16, the Developmental Disabilities Support Division and Division of Health Improvement transferred to Health Care Authority Department on July 1, 2024.

New Mexico Institute of Mining and Technology

Change in custodial arrangement for deposits and investments of \$5 million from First State Bank to State Treasurer LGIP for investment purposes.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Budgetary Amounts |                | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget |
|--|-------------------|----------------|---|----------------------------------|
|  | Original          | Final          |   |                                  |
| <b>REVENUES</b>                                  |                   |                |   |                                  |
| Taxes  | \$ 971,009        | \$ 1,005,802   | \$ 10,843,918                           | \$ 9,838,116                     |
| Federal Revenue                                  | 10,173,738        | 12,198,961     | 10,246,898                              | (1,952,063)                      |
| Investment Income                                | 8,147             | 8,147          | 1,163,380                               | 1,155,233                        |
| Rentals and Royalties                            | 24,015            | 24,015         | 179,479                                 | 155,464                          |
| Charges for Services                             | 190,870           | 191,701        | 217,397                                 | 25,696                           |
| Licenses, Fees, and Permits                      | 178,456           | 182,796        | 417,201                                 | 234,405                          |
| Assessments                                      | 49,640            | 49,640         | 55,506                                  | 5,866                            |
| Miscellaneous and Other                          | 334,321           | 331,971        | 5,775,785                               | 5,443,814                        |
| Operating Transfers In                           | 9,580,794         | 9,678,917      | -                                       | (9,678,917)                      |
| Total Revenues                                   | 21,510,990        | 23,671,950     | 28,899,564                              | 5,227,614                        |
| <br>Fund Balance Budgeted                        | <br>291,816       | <br>858,965    |   |                                  |
| <br>Total  | <br>21,802,806    | <br>24,530,915 |   |                                  |
| <b>EXPENDITURES</b>                              |                   |                |   |                                  |
| Culture, Recreation, and Natural Resources:      |                   |                |   |                                  |
| Arts Program                                     | 2,423             | 2,718          | 2,578                                   | 140                              |
| Conservation Services Program                    | 27,249            | 30,384         | 28,565                                  | 1,819                            |
| Dep Damage Nuisance Abatement                    | 1,171             | 1,171          | 902                                     | 269                              |
| Energy Efficiency and Renewable                  | 5,860             | 12,012         | 4,853                                   | 7,159                            |
| Field Operations Program                         | 11,955            | 11,955         | 7,783                                   | 4,172                            |
| Game and Fish Administration                     | 9,405             | 9,405          | 8,686                                   | 719                              |
| Healthy Forests                                  | 29,538            | 63,755         | 24,518                                  | 39,237                           |
| Interstate Stream Commission                     | 23,084            | 32,388         | 11,935                                  | 20,453                           |
| Intertribal Ceremonial                           | 148               | 148            | -                                       | 148                              |
| Land Trust Stewardship                           | 24,588            | 27,473         | 25,248                                  | 2,225                            |
| Library Services                                 | 6,984             | 7,955          | 6,779                                   | 1,176                            |
| Litigation and Adjustment Pro                    | 10,918            | 11,035         | 7,774                                   | 3,261                            |
| Livestock Inspection                             | 9,069             | 10,071         | 8,665                                   | 1,406                            |
| Meat Inspection Division                         | 1,046             | 262            | 215                                     | 47                               |
| Mine Reclamation                                 | 13,542            | 14,042         | 8,063                                   | 5,979                            |
| Museum and Monuments                             | 34,350            | 36,358         | 35,279                                  | 1,079                            |
| Natural Resource Damage Assess                   | 5,198             | 17,515         | 1,443                                   | 16,072                           |
| Office of the State Engineer                     | 5,850             | 5,850          | 5,827                                   | 23                               |
| Oil Conservation                                 | 56,097            | 59,629         | 38,147                                  | 21,482                           |
| Parks and Recreation                             | 27,972            | 29,554         | 19,953                                  | 9,601                            |
| Preservation                                     | 3,877             | 4,140          | 2,590                                   | 1,550                            |
| Program Support                                  | 4,963             | 4,963          | 4,948                                   | 15                               |
| Program Support                                  | 6,766             | 10,163         | 6,016                                   | 4,147                            |
| Water Resource Allocation Program                | 19,686            | 19,759         | 18,727                                  | 1,032                            |
| Youth Conservation Corps.                        | 5,898             | 5,898          | 4,338                                   | 1,560                            |
| Total Culture, Recreation, and Natural Resources | 347,637           | 428,603        | 283,832                                 | 144,771                          |
| <br>Education:                                   |                   |                |   |                                  |
| Administrative Services                          | 5,444             | 5,444          | 4,997                                   | 447                              |
| Disability Determination                         | 18,053            | 18,753         | 16,586                                  | 2,167                            |
| Independent Living                               | 1,551             | 2,449          | 1,545                                   | 904                              |
| Operations                                       | 87,095            | 92,436         | 31,808                                  | 60,628                           |
| OPPORTUNITY SCHOLARSHIP                          | 146,000           | 146,000        | 14,483                                  | 131,517                          |
| Public Schools Facilities Authority              | 7,186             | 7,186          | 6,360                                   | 826                              |
| Rehab Services                                   | 30,856            | 32,256         | 30,605                                  | 1,651                            |
| SDE Operation                                    | 30,452            | 31,192         | 29,477                                  | 1,715                            |
| Student Financial Aid                            | 77,430            | 101,714        | 16,582                                  | 85,132                           |
| Total Education                                  | 404,067           | 437,430        | 152,443                                 | 284,987                          |

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

| EXPENDITURES (CONTINUED)                              | Budgetary Amounts |           | Actual                        | Variance             |
|---|-------------------|-----------|-------------------------------|----------------------|
|   | Original          | Final     | Amounts<br>Budgetary<br>Basis | With Final<br>Budget |
| General Control:                                      |                   |           |                               |                      |
| Administrative Hearings Office                        | \$ 2,392          | \$ 2,402  | \$ 2,375                      | \$ 27                |
| Agency Program Code                                   | 4,873             | 5,790     | 4,868                         | 922                  |
| Broadband   | 1,370             | 4,043     | 3,562                         | 481                  |
| Community Development and Local Government Assistance | 43,403            | 50,659    | 45,028                        | 5,631                |
| Compliance and Project Managem                        | 5,721             | 6,962     | 6,941                         | 21                   |
| Compliance Enforcement                                | -                 | 2,053     | 1,776                         | 277                  |
| Criminal and Juvenile Justice                         | 1,441             | 1,534     | 1,497                         | 37                   |
| Elections   | 14,151            | 18,544    | 19,242                        | (698)                |
| Executive Management and Leadership                   | 6,260             | 6,260     | 5,733                         | 527                  |
| Facilities Management Division                        | 19,551            | 20,071    | 32,010                        | (11,939)             |
| Fiscal Management and Oversight                       | 101,511           | 98,947    | 7,161                         | 91,786               |
| Medicaid Fraud Program                                | 4,117             | 4,117     | 3,435                         | 682                  |
| Motor Vehicle   | 53,886            | 53,906    | 39,314                        | 14,592               |
| New Mexico State Personnel                            | 4,518             | 4,573     | 4,468                         | 105                  |
| Office of the Attorney General                        | 32,121            | 47,827    | 25,173                        | 22,654               |
| Operations  | -                 | 2,898     | 1,952                         | 946                  |
| Policy Development, Fiscal and Budget                 | 28,454            | 28,454    | 5,800                         | 22,654               |
| Program Support                                       | 2,589             | 2,589     | 2,553                         | 36                   |
| Program Support                                       | -                 | 24,816    | 42,000                        | (17,184)             |
| Property Tax  | 6,423             | 6,423     | 5,448                         | 975                  |
| Prosecution Program P262                              | 41                | 53        | 47                            | 6                    |
| Pubic Employee Labor Relations Board                  | 285               | 285       | 276                           | 9                    |
| Records Information and Archival Management           | 3,079             | 3,079     | 3,014                         | 65                   |
| Secretary of State                                    | 4,812             | 4,812     | 4,845                         | (33)                 |
| State Investment Program                              | 65,952            | 66,880    | 59,733                        | 7,147                |
| State Ombudsman Program                               | 669               | 669       | 654                           | 15                   |
| State Purchasing                                      | 3,065             | 3,065     | 2,612                         | 453                  |
| State Treasurer's Office                              | 4,884             | 4,884     | 4,570                         | 314                  |
| TAA   | -                 | 39,448    | 37,910                        | 1,538                |
| Total General Control                                 | 415,568           | 516,043   | 373,997                       | 142,046              |
| Health and Human Services:                            |                   |           |                               |                      |
| Administration  | 47,874            | 54,503    | 28,781                        | 25,722               |
| Adult Protective Services Program                     | 19,961            | 20,245    | 18,245                        | 2,000                |
| Behavioral Health Services                            | 99,405            | 114,696   | 100,734                       | 13,962               |
| Behavioral Health Services                            | 54,529            | 54,529    | 44,425                        | 10,104               |
| Blind Services Program                                | 9,135             | 11,735    | 9,503                         | 2,232                |
| Brain Injury Advisory Council                         | 219               | 219       | 169                           | 50                   |
| Child Support Enforcement Program                     | 39,970            | 41,352    | 38,617                        | 2,735                |
| Community Involvement                                 | 52,988            | 53,022    | 51,807                        | 1,215                |
| DD Planning Council and Information Center            | 2,030             | 2,152     | 2,075                         | 77                   |
| Early Childhood Services                              | 387,678           | 411,288   | 365,640                       | 45,648               |
| Elder Rights and Health Advocacy                      | 5,738             | 5,839     | 4,528                         | 1,311                |
| Employment Services                                   | 32,756            | 36,244    | 28,177                        | 8,067                |
| Environmental Protection Division                     | 25,071            | 35,267    | 27,129                        | 8,138                |
| Family Support and Early Intervention                 | 77,323            | 78,397    | 65,074                        | 13,323               |
| Income Support Program                                | 1,327,714         | 1,503,067 | 1,388,418                     | 114,649              |
| Information Advocacy and Service                      | 1,072             | 1,197     | 948                           | 249                  |
| Information Advocacy Services                         | 1,907             | 1,976     | 1,698                         | 278                  |
| Juvenile Justice Services                             | 78,989            | 79,079    | 73,592                        | 5,487                |
| Labor Relations Division                              | 4,353             | 4,373     | 3,840                         | 533                  |
| Martin Luther King Jr. Program                        | 368               | 368       | 333                           | 35                   |
| Medicaid Behavioral Health Program                    | 823,498           | 884,298   | 746,000                       | 138,298              |
| Medical Assistance Program                            | 8,163,501         | 8,828,654 | 8,493,870                     | 334,784              |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|   | Budgetary Amounts |            | Actual                        | Variance             |
|---|-------------------|------------|-------------------------------|----------------------|
|   | Original          | Final      | Amounts<br>Budgetary<br>Basis | With Final<br>Budget |
| <b>EXPENDITURES (CONTINUED)</b>                   |                   |            |                               |                      |
| Health and Human Services (Continued):            |                   |            |                               |                      |
| Medical Cannabis Program                          | \$ 2,517          | \$ 2,642   | \$ 2,459                      | \$ 183               |
| NM Communication on the Status of Women           | 303               | 303        | 283                           | 20                   |
| Office of Family Rep and Advocacy                 | 10,530            | 10,530     | 7,702                         | 2,828                |
| Office of Guardianship                            | 8,200             | 8,300      | 8,300                         | -                    |
| Policy, Research, and Quality                     | 27,651            | 30,365     | 23,001                        | 7,364                |
| Pre-K Division                                    | 220,534           | 220,534    | 130,100                       | 90,434               |
| Program Area 1 - Administration                   | 20,133            | 26,333     | 18,772                        | 7,561                |
| Program Area 2 - Public Health                    | 252,311           | 270,942    | 216,006                       | 54,936               |
| Program Area 3 - Epi Response                     | 65,104            | 87,319     | 52,579                        | 34,740               |
| Program Area 4 - Lab Services                     | 17,533            | 18,410     | 17,359                        | 1,051                |
| Program Area 6 - Facilities                       | 191,131           | 191,174    | 155,174                       | 36,000               |
| Program Area 7 - Developmentally Disabled         | 204,042           | 204,042    | 31,538                        | 172,504              |
| Program Area 8 - Health Certification and License | 20,336            | 22,487     | 17,509                        | 4,978                |
| Program One                                       | 4,848             | 4,828      | 3,812                         | 1,016                |
| Program Support                                   | 76,836            | 86,216     | 75,047                        | 11,169               |
| Program Support                                   | 21,955            | 21,955     | 20,451                        | 1,504                |
| Program Support                                   | 10,716            | 10,716     | 6,576                         | 4,140                |
| Program Support                                   | 44,512            | 44,512     | 34,662                        | 9,850                |
| Protective Services                               | 226,884           | 226,928    | 207,827                       | 19,101               |
| Resource Management Division                      | 11,194            | 11,972     | 10,783                        | 1,189                |
| Resource Protection Division                      | 18,451            | 22,621     | 14,029                        | 8,592                |
| Special Revenue                                   | 6,094             | 6,968      | -                             | 6,968                |
| Special Revenue Funds                             | 53,048            | 61,157     | 10,908                        | 50,249               |
| Telecommunication Apron.                          | 3,241             | 3,241      | 2,269                         | 972                  |
| Unemployment Insurance                            | 16,567            | 16,567     | 11,057                        | 5,510                |
| Uninsured Employers Fund                          | 970               | 970        | 678                           | 292                  |
| Veteran's Services Program                        | 8,256             | 8,637      | 7,781                         | 856                  |
| Water Protection Division                         | 62,078            | 68,459     | 29,441                        | 39,018               |
| Workers' Compensation Administration              | 12,692            | 13,326     | 12,208                        | 1,118                |
| Workforce Technology Services Division            | 27,315            | 27,315     | 20,877                        | 6,438                |
| Total Health and Human Services                   | 12,902,061        | 13,952,269 | 12,642,791                    | 1,309,478            |
| Highways and Transportation:                      |                   |            |                               |                      |
| Highway Operations                                | 325,616           | 405,148    | 340,488                       | 64,660               |
| Modal   | 85,776            | 178,552    | 67,936                        | 110,616              |
| Program Support                                   | 58,916            | 54,916     | 48,297                        | 6,619                |
| Project Design and Construction                   | 786,710           | 1,832,405  | 803,928                       | 1,028,477            |
| Total Highways and Transportation                 | 1,257,018         | 2,471,021  | 1,260,649                     | 1,210,372            |
| Judicial:   |                   |            |                               |                      |
| Administrative Support                            | 97,816            | 98,289     | 91,790                        | 6,499                |
| Bernalillo County Metro Court                     | 34,134            | 34,419     | 33,172                        | 1,247                |
| Court of Appeals Program                          | 8,685             | 8,685      | 8,612                         | 73                   |
| District Court                                    | 15,573            | 16,041     | 15,405                        | 636                  |
| Eighth Judicial District Court                    | 6,429             | 6,719      | 6,380                         | 339                  |
| Fifth Judicial District Court                     | 14,217            | 14,183     | 13,846                        | 337                  |
| First Judicial District Court                     | 14,318            | 15,140     | 14,210                        | 930                  |
| Fourth Judicial District Court                    | 6,045             | 6,334      | 5,980                         | 354                  |
| Judicial  | 7,763             | 7,533      | 7,339                         | 194                  |
| Judicial Standards Communication Program          | 1,094             | 1,094      | 1,050                         | 44                   |
| Magistrate Courts                                 | 15,880            | 15,880     | 14,192                        | 1,688                |
| N. M. Compilation Commission                      | 1,553             | 1,553      | 1,317                         | 236                  |
| New Mexico Supreme Court                          | 8,088             | 8,089      | 8,060                         | 29                   |
| Ninth Judicial District Court                     | 6,744             | 6,735      | 6,705                         | 30                   |
| Prosecution Program                               | 4,366             | 4,423      | 4,499                         | (76)                 |
| Prosecution Program P251                          | 9,140             | 9,140      | 8,607                         | 533                  |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

| EXPENDITURES (CONTINUED)                   | Budgetary Amounts |           | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget |
|--|-------------------|-----------|---|----------------------------------|
|  | Original          | Final     |   |                                  |
| Judicial (Continued):                      |                   |           |   |                                  |
| Prosecution Program P252                   | \$ 32,558         | \$ 33,780 | \$ 32,100                               | \$ 1,680                         |
| Prosecution Program P253                   | 7,186             | 7,526     | 7,253                                   | 273                              |
| Prosecution Program P254                   | 4,550             | 4,560     | 4,481                                   | 79                               |
| Prosecution Program P255                   | 7,701             | 7,701     | 7,700                                   | 1                                |
| Prosecution Program P257                   | 3,683             | 3,683     | 3,639                                   | 44                               |
| Prosecution Program P258                   | 4,221             | 4,221     | 4,186                                   | 35                               |
| Prosecution Program P259                   | 4,376             | 4,376     | 4,374                                   | 2                                |
| Prosecution Program P260                   | 2,087             | 2,087     | 2,013                                   | 74                               |
| Prosecution Program P261                   | 6,998             | 7,010     | 6,824                                   | 186                              |
| Prosecution Program P262                   | 5,147             | 5,151     | 5,103                                   | 48                               |
| Prosecution Program P263                   | 8,477             | 8,508     | 8,378                                   | 130                              |
| Prosecution Program P265                   | 3,782             | 3,782     | 2,572                                   | 1,210                            |
| Rollup Only                                | 15,238            | 15,323    | 15,011                                  | 312                              |
| Second Judicial District Court             | 39,218            | 39,012    | 37,725                                  | 1,287                            |
| Seventh District Court                     | 5,372             | 5,372     | 5,217                                   | 155                              |
| Statewide Judiciary Automation             | 17,147            | 17,147    | 10,662                                  | 6,485                            |
| Tenth Judicial District Court Program      | 2,272             | 2,272     | 2,125                                   | 147                              |
| Third Judicial District Court              | 15,052            | 15,192    | 14,584                                  | 608                              |
| Twelfth Judicial District Court            | 6,877             | 6,877     | 6,750                                   | 127                              |
| Total Judicial                             | 443,787           | 447,837   | 421,861                                 | 25,976                           |
| Legislative:                               |                   |           |   |                                  |
| Education Study Committee                  | 1,768             | 1,768     | 1,630                                   | 138                              |
| Legislative Analysis and Oversight Program | 5,948             | 5,948     | 5,824                                   | 124                              |
| Total Legislative                          | 7,716             | 7,716     | 7,454                                   | 262                              |
| Public Safety:                             |                   |           |   |                                  |
| Community Offender Management              | 37,749            | 37,756    | 36,932                                  | 824                              |
| Federal Grant Administration               | 21,787            | 23,887    | 20,894                                  | 2,993                            |
| Homeland Security and Emergency Management | 33,249            | 39,788    | 21,005                                  | 18,783                           |
| Inmate Management and Control              | 292,539           | 292,655   | 287,092                                 | 5,563                            |
| Juvenile Justice Services                  | 2,157             | 2,157     | 450                                     | 1,707                            |
| Juvenile Parole Board                      | 8                 | 8         | 1                                       | 7                                |
| Law Enforcement Program                    | 156,488           | 158,488   | 153,263                                 | 5,225                            |
| National Guard Support Program             | 32,626            | 37,691    | 29,005                                  | 8,686                            |
| Parole Board Program                       | 756               | 756       | 588                                     | 168                              |
| Program Support                            | 12,689            | 12,689    | 8,825                                   | 3,864                            |
| Program Support                            | 15,818            | 15,905    | 15,759                                  | 146                              |
| Reentry                                    | 22,970            | 23,083    | 20,409                                  | 2,674                            |
| State Fire Marshal's Office                | 132,470           | 133,870   | 118,731                                 | 15,139                           |
| State Law Enforcement Supp Program         | 33,100            | 33,100    | 27,109                                  | 5,991                            |
| Veteran's Services Program                 | 80                | 80        | -                                       | 80                               |
| Victim Compensation Program                | 4,725             | 5,375     | 5,233                                   | 142                              |
| Total Public Safety                        | 799,211           | 817,288   | 745,296                                 | 71,992                           |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                     | Budgetary Amounts |               | Actual                        | Variance             |
|-------------------------------------|-------------------|---------------|-------------------------------|----------------------|
|                                     | Original          | Final         | Amounts<br>Budgetary<br>Basis | With Final<br>Budget |
| <b>EXPENDITURES (CONTINUED)</b>     |                   |               |                               |                      |
| Regulation and Licensing:           |                   |               |                               |                      |
| Administration                      | \$ 1,513          | \$ 1,516      | \$ 1,434                      | \$ 82                |
| ASD and PEPS                        | 1,404             | 2,060         | 1,222                         | 838                  |
| Board of Architects                 | 550               | 550           | 507                           | 43                   |
| Boards and Commissions              | 17,996            | 20,104        | 8,988                         | 11,116               |
| Cannabis Control Division           | 6,668             | 6,668         | 4,055                         | 2,613                |
| Economic Development                | 13,082            | 147,878       | 53,506                        | 94,372               |
| Film Division                       | 1,709             | 2,038         | 1,712                         | 326                  |
| Horse Racing Regulation             | 3,871             | 7,116         | 5,348                         | 1,768                |
| Insurance Fraud and Auto Theft      | 2,969             | 3,113         | 2,813                         | 300                  |
| Insurance Policy                    | 95,053            | 96,531        | 81,744                        | 14,787               |
| Manufactured Housing Division       | 1,655             | 1,655         | 1,298                         | 357                  |
| Marketing and Promotion             | 20,776            | 21,076        | 21,018                        | 58                   |
| Medical Examiners Licensing         | 3,375             | 3,375         | 2,558                         | 817                  |
| Military Base Planning Support      | 304               | 304           | 146                           | 158                  |
| New Mexico Border Authority         | 604               | 604           | 459                           | 145                  |
| New Mexico State Fair               | 375               | 375           | 375                           | -                    |
| Nursing Licensing and Certification | 4,257             | 4,357         | 3,155                         | 1,202                |
| Outdoor Recreation                  | 1,175             | 3,855         | 3,420                         | 435                  |
| Outreach                            | 3,134             | 3,207         | 2,721                         | 486                  |
| Policy and Regulation               | 10,691            | 11,370        | 10,650                        | 720                  |
| Program Four                        | 4,291             | 4,291         | 3,712                         | 579                  |
| Program One                         | 12,423            | 12,423        | 11,509                        | 914                  |
| Program One                         | 6,642             | 6,642         | 6,377                         | 265                  |
| Program Support                     | 4,123             | 4,123         | 1,293                         | 2,830                |
| Program Support                     | 1,983             | 1,983         | 1,827                         | 156                  |
| Program Support                     | 4,183             | 4,183         | 4,112                         | 71                   |
| Program Three                       | 1,467             | 1,467         | 1,250                         | 217                  |
| Program Two                         | 4,761             | 5,529         | 3,621                         | 1,908                |
| Securities Division                 | 2,170             | 2,170         | 1,783                         | 387                  |
| Spaceport Authority                 | 11,577            | 13,347        | 10,729                        | 2,618                |
| Special Revenues                    | 1,416             | 1,416         | -                             | 1,416                |
| Special Revenues                    | 12,275            | 12,889        | -                             | 12,889               |
| Veterinary Licensing Program        | 486               | 486           | 375                           | 111                  |
| Total Regulation and Licensing      | 258,958           | 408,701       | 253,717                       | 154,984              |
| Special Appropriations:             |                   |               |                               |                      |
| Special Appropriations              | 4,962,413         | 5,044,008     | 4,684,863                     | 359,145              |
| Total Special Appropriations        | 4,962,413         | 5,044,008     | 4,684,863                     | 359,145              |
| Total Expenditures                  | 21,798,436        | 24,530,916    | 20,826,903                    | 3,704,013            |
| <b>NET CHANGE IN FUND BALANCE</b>   | <b>\$ 4,370</b>   | <b>\$ (1)</b> | <b>\$ 8,072,661</b>           |                      |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

**Budget Basis to GAAP Basis Reconciliation**

|  |                            |
|--|----------------------------|
| Net Change in Fund Balance (Budgetary Basis)   | \$ 8,072,661               |
| Differences:   |                            |
| Other Financing Sources 124 and 924  | 16,933,105                 |
| Other Financing Uses 124 and 924   | (8,534,311)                |
| Multi-year amounts budgeted in prior years:  |                            |
| Revenue recognized in current year   | 3,177,962                  |
| Expenditures recognized in current year  | (3,003,847)                |
| Revenues and other financing sources,<br>other than Bud Ref 124, 924, and multi-year                                     | 1,261                      |
| Expenditures and other financing uses,<br>other than Bud Ref 124, 924, and multi-year                                    | 2,407                      |
| Non-budgeted expenditures:   |                            |
| AC 555106 - BU 34101   | (152,489)                  |
| AC series 56xxx and 57xxx  | (13,009,838)               |
| Other  | <u>(87,986)</u>            |
| Total Net Change in Fund Balance as Reported on the Statement<br>of Revenues, Expenditures, and Changes in Fund Balances | <u><u>\$ 3,398,925</u></u> |

*See accompanying Notes to Budgetary Reporting.*



**STATE OF NEW MEXICO**  
**NOTES TO BUDGETARY REPORTING**  
**JUNE 30, 2024**  
**(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 (the 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, 2024**  
**(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, 2024, 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**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                       | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| Total Pension Liability:                          |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service Cost                                      | \$ 507,878                 | \$ 451,586          | \$ 452,128          | \$ 409,242          | \$ 401,166          | \$ 403,879          | \$ 376,310          | \$ 405,561          | \$ 390,221          | \$ 389,053          |
| Interest  | 1,753,192                  | 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           |
| Benefit Changes                                   | 8,750                      | 30,512              | 3,658               | -                   | (710,227)           | -                   | -                   | -                   | -                   | -                   |
| Difference Between Expected and Actual Experience | 603,837                    | 408,899             | (146,670)           | 310,352             | 213,521             | (54,005)            | 113,712             | (584,186)           | 330,751             | 59,112              |
| Changes of Assumptions                            | 270,278                    | -                   | -                   | -                   | (222)               | -                   | 545,510             | (62,778)            | 424,792             | -                   |
| Benefit Payments                                  | (1,444,945)                | (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)           |
| Refunds of Contributions                          | (52,844)                   | (51,237)            | (57,591)            | (40,354)            | (44,903)            | (54,337)            | (50,288)            | (44,396)            | (44,938)            | (46,010)            |
| Net Change in Total Pension Liability             | 1,646,146                  | 1,095,348           | 520,440             | 920,491             | 151,414             | 606,585             | 1,314,495           | 82,106              | 1,469,984           | 771,868             |
| Total Pension Liability - Beginning               | 24,676,916                 | 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          |
| Total Pension Liability - Ending (a)              | 26,323,062                 | 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          |
| Plan Net Position:                                |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - Employer                          | 521,674                    | 454,462             | 395,408             | 379,185             | 368,425             | 339,676             | 319,499             | 332,473             | 324,752             | 317,164             |
| Contributions - Member                            | 428,675                    | 373,214             | 326,720             | 309,552             | 297,153             | 281,643             | 282,847             | 272,829             | 265,529             | 258,920             |
| Special Fund Appropriation                        | -                          | -                   | 2,414               | -                   | 55,000              | -                   | -                   | -                   | -                   | -                   |
| Net Investment Income                             | 1,334,676                  | 898,162             | (745,218)           | 3,799,141           | (223,545)           | 935,561             | 1,004,227           | 1,500,759           | 47,445              | 251,488             |
| Benefit Payments                                  | (1,444,945)                | (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)           |
| Administrative Expenses                           | (16,399)                   | (15,594)            | (16,010)            | (12,730)            | (14,318)            | (13,583)            | (12,667)            | (11,506)            | (10,754)            | (9,886)             |
| Refunds of Contributions                          | (52,844)                   | (51,237)            | (57,591)            | (40,354)            | (44,903)            | (54,337)            | (50,288)            | (44,396)            | (44,938)            | (46,010)            |
| Other   | 2,335                      | 2,391               | 2,713               | 1,991               | 1,646               | 2,047               | 2,110               | 471                 | 12,318              | 25,296              |
| Net Change in Plan Net Position                   | 773,172                    | 244,184             | (1,459,302)         | 3,121,964           | (815,560)           | 297,063             | 412,310             | 965,812             | (430,047)           | (169,264)           |
| Plan Net Position - Beginning                     | 16,598,830                 | 16,354,646          | 17,813,948          | 14,691,984          | 15,507,545          | 15,210,482          | 14,798,917          | 13,826,658          | 14,255,528          | 14,424,793          |
| Prior Period Adjustments                          | -                          | -                   | -                   | -                   | -                   | -                   | (745)               | 6,447               | 1,177               | -                   |
| Plan Net Position - Beginning, Restated           | 16,598,830                 | 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          |
| Plan Net Position - Ending (b)                    | 17,372,002                 | 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          |
| Net Pension Liability - Ending (a)-(b)            | <u>\$ 8,951,060</u>        | <u>\$ 8,078,086</u> | <u>\$ 7,226,922</u> | <u>\$ 5,247,180</u> | <u>\$ 7,448,653</u> | <u>\$ 6,481,679</u> | <u>\$ 6,172,157</u> | <u>\$ 5,269,227</u> | <u>\$ 6,159,380</u> | <u>\$ 4,260,526</u> |

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

|   | Fiscal Year Ended June 30, |            |           |           |            |            |           |           |            |           |
|---|----------------------------|------------|-----------|-----------|------------|------------|-----------|-----------|------------|-----------|
|   | 2024                       | 2023       | 2022      | 2021      | 2020       | 2019       | 2018      | 2017      | 2016       | 2015      |
| Total Pension Liability:                          |                            |            |           |           |            |            |           |           |            |           |
| Service Cost                                      | \$ 6,405                   | \$ 5,882   | \$ 3,928  | \$ 6,281  | \$ 5,286   | \$ 4,282   | \$ 4,488  | \$ 5,492  | \$ 3,245   | \$ 3,344  |
| Interest  | 12,428                     | 11,928     | 12,276    | 9,424     | 10,211     | 10,341     | 9,867     | 9,066     | 10,238     | 9,900     |
| Difference Between Expected and Actual Experience | 671                        | 8,100      | 3,893     | 4,992     | (3,901)    | 7,420      | (1,358)   | (2,474)   | 4,737      | 755       |
| Changes of Assumptions                            | 8,951                      | 6,085      | 22,932    | (57,672)  | 18,400     | 19,033     | (2,892)   | (17,241)  | 46,155     | -         |
| Benefit Payments                                  | (13,776)                   | (13,297)   | (13,080)  | (12,538)  | (12,013)   | (11,352)   | (10,585)  | (10,096)  | (9,813)    | (9,373)   |
| Refunds of Contributions                          | (97)                       | -          | -         | (1)       | (8)        | (100)      | -         | (11)      | (45)       | (40)      |
| Net Change in Total Pension Liability             | 14,582                     | 18,698     | 29,949    | (49,514)  | 17,975     | 29,624     | (480)     | (15,264)  | 54,517     | 4,586     |
| Total Pension Liability - Beginning               | 222,542                    | 203,844    | 173,895   | 223,409   | 205,435    | 175,811    | 176,291   | 191,555   | 137,038    | 132,452   |
| Total Pension Liability - Ending (a)              | 237,124                    | 222,542    | 203,844   | 173,895   | 223,409    | 205,435    | 175,811   | 176,291   | 191,555    | 137,038   |
| Plan Net Position:                                |                            |            |           |           |            |            |           |           |            |           |
| Contributions - Employer                          | 6,694                      | 6,352      | 25,619    | 5,626     | 4,683      | 4,731      | 4,723     | 4,524     | 4,237      | 4,196     |
| Contributions - Member                            | 2,451                      | 2,286      | 1,956     | 1,838     | 1,783      | 1,692      | 1,632     | 1,636     | 1,582      | 1,579     |
| Net Investment Income                             | 8,665                      | 5,809      | (4,096)   | 21,502    | (1,252)    | 5,528      | 6,020     | 9,012     | 232        | 1,512     |
| Benefit Payments                                  | (13,776)                   | (13,297)   | (13,080)  | (12,538)  | (12,013)   | (11,352)   | (10,585)  | (10,096)  | (9,813)    | (9,373)   |
| Administrative Expenses                           | (97)                       | (89)       | (88)      | (71)      | (82)       | (79)       | (75)      | (69)      | (64)       | (60)      |
| Refunds of Contributions                          | (97)                       | -          | -         | (1)       | (8)        | (100)      | -         | (11)      | (45)       | (40)      |
| Other   | -                          | -          | 63        | -         | -          | 10         | -         | -         | 72         | 33        |
| Net Change in Plan Net Position                   | 3,840                      | 1,061      | 10,374    | 16,356    | (6,889)    | 430        | 1,715     | 4,996     | (3,799)    | (2,153)   |
| Plan Net Position - Beginning                     | 112,663                    | 111,602    | 101,228   | 84,872    | 91,761     | 91,331     | 89,616    | 84,932    | 88,989     | 91,142    |
| Prior Period Adjustments                          | -                          | -          | -         | -         | -          | -          | -         | (312)     | (257)      | -         |
| Plan Net Position - Beginning, Restated           | 112,663                    | 111,602    | 101,228   | 84,872    | 91,761     | 91,331     | 89,616    | 84,620    | 88,732     | 91,142    |
| Plan Net Position - Ending (b)                    | 116,503                    | 112,663    | 111,602   | 101,228   | 84,872     | 91,761     | 91,331    | 89,616    | 84,933     | 88,989    |
| Net Pension Liability - Ending (a)-(b)            | \$ 120,621                 | \$ 109,879 | \$ 92,242 | \$ 72,667 | \$ 138,538 | \$ 113,674 | \$ 84,480 | \$ 86,675 | \$ 106,623 | \$ 48,050 |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**MAGISTRATE RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |           |           |           |           |           |           |           |           |           |
|---|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | 2024                       | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
| Total Pension Liability:                          |                            |           |           |           |           |           |           |           |           |           |
| Service Cost                                      | \$ 1,628                   | \$ 2,191  | \$ 1,365  | \$ 1,258  | \$ 1,656  | \$ 1,466  | \$ 1,354  | \$ 1,537  | \$ 1,118  | \$ 948    |
| Interest  | 4,154                      | 3,925     | 4,209     | 4,092     | 3,436     | 3,494     | 3,487     | 3,192     | 3,452     | 3,445     |
| Difference Between Expected and Actual Experience | (1,077)                    | 599       | 1,776     | (95)      | (1,286)   | 2,209     | (237)     | (1,539)   | 1,571     | 6,703     |
| Changes of Assumptions                            | 1,351                      | (4,002)   | 12,882    | -         | (18,414)  | 5,255     | 2,874     | (8,114)   | 8,832     | -         |
| Benefit Payments                                  | (5,030)                    | (4,689)   | (4,321)   | (4,294)   | (4,204)   | (4,026)   | (3,951)   | (3,966)   | (3,976)   | (3,956)   |
| Refunds of Contributions                          | (233)                      | (263)     | -         | (50)      | -         | (56)      | (63)      | -         | (15)      | (5)       |
| Net Change in Total Pension Liability             | 793                        | (2,239)   | 15,911    | 911       | (18,812)  | 8,342     | 3,464     | (8,890)   | 10,982    | 7,135     |
| Total Pension Liability - Beginning               | 73,201                     | 75,440    | 59,529    | 58,618    | 77,434    | 69,092    | 65,628    | 74,518    | 63,536    | 56,401    |
| Total Pension Liability - Ending (a)              | 73,994                     | 73,201    | 75,440    | 59,529    | 58,618    | 77,434    | 69,092    | 65,628    | 74,518    | 63,536    |
| Plan Net Position:                                |                            |           |           |           |           |           |           |           |           |           |
| Contributions - Employer                          | 2,619                      | 2,538     | 2,385     | 2,348     | 1,293     | 1,236     | 1,232     | 1,282     | 1,280     | 937       |
| Contributions - Member                            | 824                        | 751       | 673       | 652       | 650       | 640       | 580       | 603       | 587       | 490       |
| Net Investment Income                             | 2,554                      | 1,775     | (1,470)   | 7,463     | (437)     | 1,938     | 2,156     | 3,290     | 70        | 579       |
| Benefit Payments                                  | (5,030)                    | (4,689)   | (4,321)   | (4,294)   | (4,204)   | (4,026)   | (3,951)   | (3,966)   | (3,977)   | (3,956)   |
| Administrative Expenses                           | (31)                       | (30)      | (32)      | (25)      | (28)      | (28)      | (27)      | (25)      | (24)      | (23)      |
| Refunds of Contributions                          | (233)                      | (262)     | -         | (50)      | -         | (56)      | (63)      | -         | (15)      | (5)       |
| Other   | -                          | -         | -         | -         | -         | -         | 14        | 3         | 27        | (19)      |
| Net Change in Plan Net Position                   | 703                        | 83        | (2,765)   | 6,094     | (2,727)   | (296)     | (59)      | 1,187     | (2,052)   | (1,997)   |
| Plan Net Position - Beginning                     | 32,483                     | 32,400    | 35,165    | 29,071    | 31,798    | 32,094    | 32,226    | 31,038    | 33,187    | 35,185    |
| Prior Period Adjustments                          | -                          | -         | -         | -         | -         | -         | (73)      | -         | (98)      | -         |
| Plan Net Position - Beginning, Restated           | 32,483                     | 32,400    | 35,165    | 29,071    | 31,798    | 32,094    | 32,153    | 31,038    | 33,089    | 35,185    |
| Plan Net Position - Ending (b)                    | 33,186                     | 32,483    | 32,400    | 35,165    | 29,071    | 31,798    | 32,094    | 32,226    | 31,038    | 33,187    |
| Net Pension Liability - Ending (a)-(b)            | \$ 40,808                  | \$ 40,718 | \$ 43,040 | \$ 24,364 | \$ 29,547 | \$ 45,636 | \$ 36,998 | \$ 33,402 | \$ 43,480 | \$ 30,349 |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2024                       | 2023               | 2022               | 2021               | 2020               | 2019               | 2018               | 2017               | 2016               | 2015               |
| Total Pension Liability:                          |                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Service Cost                                      | \$ 2,003                   | \$ 2,022           | \$ 2,047           | \$ 2,040           | \$ 2,250           | \$ 2,194           | \$ 2,204           | \$ 2,337           | \$ 1,440           | \$ 1,251           |
| Interest  | 3,803                      | 3,799              | 3,823              | 3,663              | 3,715              | 3,594              | 3,555              | 3,584              | 3,376              | 3,105              |
| Difference Between Expected and Actual Experience | (3,296)                    | (2,821)            | (3,306)            | (1,725)            | (2,143)            | (1,573)            | (2,504)            | (4,101)            | (498)              | 874                |
| Changes of Assumptions                            | 633                        | -                  | -                  | -                  | (1,853)            | -                  | 1,363              | -                  | 1,976              | -                  |
| Benefit Payments                                  | (2,949)                    | (2,910)            | (2,847)            | (2,758)            | (2,626)            | (2,457)            | (2,319)            | (222)              | (1,836)            | (1,633)            |
| Refunds of Contributions                          | -                          | -                  | -                  | -                  | -                  | -                  | -                  | (2,031)            | -                  | -                  |
| Net Change in Total Pension Liability             | 194                        | 90                 | (283)              | 1,221              | (655)              | 1,758              | 2,299              | (433)              | 4,458              | 3,597              |
| Total Pension Liability - Beginning               | 52,933                     | 52,843             | 53,126             | 51,905             | 52,560             | 50,802             | 48,503             | 48,936             | 44,478             | 40,881             |
| Total Pension Liability - Ending (a)              | 53,127                     | 52,933             | 52,843             | 53,126             | 51,905             | 52,560             | 50,802             | 48,503             | 48,936             | 44,478             |
| Plan Net Position:                                |                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Contributions - Employer                          | 750                        | 750                | 750                | 750                | 750                | 750                | 750                | 750                | 750                | 750                |
| Net Investment Income                             | 6,597                      | 4,377              | (3,579)            | 17,950             | (1,057)            | 4,318              | 4,512              | 6,682              | 206                | 1,094              |
| Benefit Payments                                  | (2,949)                    | (2,910)            | (2,847)            | (2,758)            | (2,626)            | (2,457)            | (2,319)            | (2,031)            | (1,835)            | (1,633)            |
| Administrative Expenses                           | (81)                       | (76)               | (77)               | (60)               | (67)               | (63)               | (58)               | (52)               | (47)               | (43)               |
| Other   | 1                          | 1                  | -                  | -                  | -                  | 1                  | 1                  | 1                  | 51                 | 12                 |
| Net Change in Plan Net Position                   | 4,318                      | 2,142              | (5,753)            | 15,882             | (3,000)            | 2,549              | 2,886              | 5,350              | (875)              | 180                |
| Plan Net Position - Beginning                     | 81,107                     | 78,965             | 84,718             | 68,836             | 71,836             | 69,287             | 66,399             | 61,049             | 62,103             | 61,923             |
| Prior Period Adjustments                          | -                          | -                  | -                  | -                  | -                  | -                  | -                  | -                  | (179)              | -                  |
| Plan Net Position - Beginning, Restated           | 81,107                     | 78,965             | 84,718             | 68,836             | 71,836             | 69,287             | 66,399             | 61,049             | 61,924             | 61,923             |
| Plan Net Position - Ending (b)                    | 85,425                     | 81,107             | 78,965             | 84,718             | 68,836             | 71,836             | 69,287             | 66,399             | 61,049             | 62,103             |
| Net Pension Liability - Ending (a)-(b)            | <u>\$ (32,298)</u>         | <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> |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                     |                     |                     |                      |                     |                      |                      |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
|   | 2024                       | 2023                | 2022                | 2021                | 2020                 | 2019                | 2018                 | 2017                 | 2016                | 2015                |
| Total Pension Liability:                          |                            |                     |                     |                     |                      |                     |                      |                      |                     |                     |
| Service Cost                                      | \$ 514,612                 | \$ 456,425          | \$ 431,266          | \$ 916,076          | \$ 388,501           | \$ 523,132          | \$ 494,876           | \$ 357,631           | \$ 356,874          | \$ 346,956          |
| Interest  | 1,713,568                  | 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           |
| Benefit Changes                                   | -                          | -                   | -                   | -                   | -                    | (4,381,849)         | -                    | -                    | -                   | -                   |
| Difference Between Expected and Actual Experience | 889,215                    | 242,880             | (196,600)           | 685,735             | 177,584              | (112,652)           | (184,090)            | (207,789)            | 42,492              | (86,722)            |
| Changes of Assumptions                            | (329,582)                  | -                   | -                   | (11,462,883)        | 11,316,076           | -                   | 659,788              | 4,371,800            | -                   | 299,085             |
| Benefit Payments                                  | (1,447,687)                | (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)           |
| Net Change in Total Pension Liability             | 1,340,126                  | 973,666             | 523,422             | (9,836,096)         | 12,163,093           | (3,739,638)         | 1,238,809            | 4,893,553            | 754,282             | 923,182             |
| Total Pension Liability - Beginning               | 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          |
| Total Pension Liability - Ending (a)              | 26,286,206                 | 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          |
| Plan Net Position:                                |                            |                     |                     |                     |                      |                     |                      |                      |                     |                     |
| Contributions - Employer                          | 770,384                    | 662,750             | 511,944             | 452,872             | 451,556              | 406,549             | 388,724              | 395,844              | 396,989             | 395,130             |
| Contributions - Member                            | 437,997                    | 395,815             | 347,917             | 330,067             | 329,725              | 303,442             | 287,324              | 292,809              | 295,946             | 294,561             |
| Net Investment Income                             | 1,489,846                  | 1,036,752           | (336,188)           | 3,834,540           | (75,980)             | 1,037,882           | 900,132              | 1,350,389            | 364,571             | 429,738             |
| Benefit Payments                                  | (1,447,687)                | (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)           |
| Administrative Expenses                           | (14,124)                   | (12,551)            | (12,982)            | (12,088)            | (10,878)             | (9,326)             | (9,908)              | (9,848)              | (9,661)             | (10,598)            |
| Other   | -                          | -                   | -                   | -                   | 343                  | 487                 | 2,116                | -                    | -                   | -                   |
| Net Change in Plan Net Position                   | 1,236,416                  | 711,092             | (810,824)           | 3,342,327           | (525,494)            | 574,390             | 460,947              | 976,519              | 35,115              | 151,648             |
| Plan Net Position - Beginning                     | 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          |
| Plan Net Position - Ending (b)                    | 17,498,210                 | 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          |
| Net Pension Liability - Ending (a)-(b)            | <u>\$ 8,787,996</u>        | <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> |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                       | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                |
| Total OPEB Liability:                             |                            |                     |                     |                     |                     |                     |                     |                     |
| Service Cost                                      | \$ 76,343                  | \$ 91,535           | \$ 155,315          | \$ 171,993          | \$ 123,905          | \$ 156,598          | \$ 188,372          | \$ 265,229          |
| Interest  | 190,979                    | 190,483             | 163,469             | 147,283             | 169,239             | 208,666             | 199,584             | 187,563             |
| Benefit Changes                                   | (13,122)                   | -                   | -                   | 802                 | 6,624               | 14,004              | -                   | -                   |
| Difference Between Expected and Actual Experience | (30,798)                   | (179,638)           | (36,122)            | 57,770              | (150,535)           | (754,197)           | (145,524)           | (210,436)           |
| Changes of Assumptions                            | 206,617                    | (430,050)           | (1,125,436)         | (894,202)           | 989,793             | (535,457)           | (225,363)           | (958,756)           |
| Claims and Premiums                               | (112,915)                  | (89,966)            | (99,777)            | (102,376)           | (109,584)           | (96,487)            | (122,199)           | (113,698)           |
| Net Change in Total OPEB Liability                | 317,104                    | (417,636)           | (942,551)           | (618,731)           | 1,029,442           | (1,006,873)         | (105,130)           | (830,098)           |
| Total OPEB Liability - Beginning                  | 3,049,663                  | 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 (a)                 | 3,366,767                  | 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                          | 238,504                    | 231,793             | 231,293             | 96,585              | 96,504              | 88,516              | 85,402              | 85,858              |
| Contributions - Member                            | 127,361                    | 114,542             | 101,585             | 225,347             | 226,384             | 216,528             | 210,650             | 196,393             |
| Net Investment Income                             | 115,267                    | 71,822              | (49,544)            | 217,737             | 10,837              | 41,663              | 49,758              | 67,760              |
| Claims and Premiums                               | (328,749)                  | (335,094)           | (323,816)           | (315,956)           | (316,936)           | (296,417)           | (321,480)           | (294,393)           |
| Administrative Expenses                           | (4,473)                    | (4,002)             | (3,467)             | (3,404)             | (3,687)             | (4,148)             | (3,672)             | (4,180)             |
| Other   | 87,330                     | 111,971             | 80,144              | 69,519              | 59,821              | 52,949              | 57,530              | 55,556              |
| Net Change in Plan Net Position                   | 235,240                    | 191,032             | 36,195              | 289,828             | 72,923              | 99,093              | 78,188              | 106,994             |
| Plan Net Position - Beginning                     | 1,346,728                  | 1,155,696           | 1,119,501           | 829,673             | 756,750             | 657,657             | 579,469             | 472,475             |
| Plan Net Position - Ending (b)                    | 1,581,968                  | 1,346,728           | 1,155,696           | 1,119,501           | 829,673             | 756,750             | 657,657             | 579,469             |
| Net OPEB Liability - Ending (a)-(b)               | <u>\$ 1,784,799</u>        | <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> |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.



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

|   | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                       | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| Total Pension Liability                                       | \$ 26,323,061              | \$ 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       |
| Plan Net Position   | <u>17,372,001</u>          | <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>   |
| Net Pension Liability   | <u>\$ 8,951,060</u>        | <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> |
| Percentage of Plan Net Position to<br>Total Pension Liability | 66.00%                     | 67.26%              | 69.35%              | 77.25%              | 66.36%              | 70.52%              | 71.13%              | 73.74%              | 69.18%              | 76.99%              |
| Covered Payroll   | \$ 2,887,875               | \$ 2,537,115        | \$ 2,460,174        | \$ 2,482,249        | \$ 2,339,923        | \$ 2,287,712        | \$ 2,265,036        | \$ 2,193,889        | \$ 2,326,943        | \$ 2,248,254        |
| Net Pension Liability as a Percentage<br>of Covered Payroll   | 309.95%                    | 318.40%             | 293.76%             | 211.39%             | 318.33%             | 283.33%             | 272.50%             | 240.18%             | 264.70%             | 189.50%             |

**STATE OF NEW MEXICO  
SCHEDULE OF NET PENSION LIABILITY  
JUDICIAL RETIREMENT SYSTEM  
LAST TEN YEARS  
(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                   |                  |                  |                   |                   |                  |                  |                   |                  |
|---|----------------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|------------------|
|   | 2024                       | 2023              | 2022             | 2021             | 2020              | 2019              | 2018             | 2017             | 2016              | 2015             |
| Total Pension Liability                                       | \$ 237,123                 | \$ 222,541        | \$ 203,842       | \$ 173,894       | \$ 223,409        | \$ 205,435        | \$ 175,810       | \$ 176,291       | \$ 191,555        | \$ 137,038       |
| Plan Net Position   | 116,500                    | 112,661           | 111,600          | 101,227          | 84,871            | 91,760            | 91,331           | 89,616           | 84,932            | 88,988           |
| Net Pension Liability   | <u>\$ 120,623</u>          | <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> |
| Percentage of Plan Net Position to<br>Total Pension Liability | 49.13%                     | 50.62%            | 54.75%           | 58.21%           | 37.99%            | 44.67%            | 51.95%           | 50.83%           | 44.34%            | 64.94%           |
| Covered Payroll   | \$ 22,364                  | \$ 21,443         | \$ 17,681        | \$ 16,985        | \$ 16,090         | \$ 16,292         | \$ 15,126        | \$ 15,493        | \$ 15,612         | \$ 15,084        |
| Net Pension Liability as a Percentage<br>of Covered Payroll   | 539.36%                    | 512.43%           | 521.70%          | 427.83%          | 861.00%           | 697.74%           | 558.50%          | 559.45%          | 682.95%           | 318.54%          |

**STATE OF NEW MEXICO  
SCHEDULE OF NET PENSION LIABILITY  
MAGISTRATE RETIREMENT SYSTEM  
LAST TEN YEARS  
(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2024                       | 2023             | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| Total Pension Liability                                       | \$ 73,994                  | \$ 73,201        | \$ 75,440        | \$ 59,529        | \$ 58,618        | \$ 77,431        | \$ 69,090        | \$ 65,628        | \$ 74,519        | \$ 63,536        |
| Plan Net Position   | 33,184                     | 32,481           | 32,399           | 35,165           | 29,071           | 31,798           | 32,093           | 32,225           | 31,038           | 33,187           |
| Net Pension Liability   | <u>\$ 40,810</u>           | <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> |
| Percentage of Plan Net Position to<br>Total Pension Liability | 44.85%                     | 44.37%           | 42.95%           | 59.07%           | 49.59%           | 41.07%           | 46.45%           | 49.10%           | 41.65%           | 52.23%           |
| Covered Payroll   | \$ 6,550                   | \$ 7,212         | \$ 6,289         | \$ 6,092         | \$ 6,025         | \$ 6,025         | \$ 5,638         | \$ 5,633         | \$ 5,243         | \$ 5,066         |
| Net Pension Liability as a Percentage<br>of Covered Payroll   | 623.05%                    | 564.61%          | 684.39%          | 399.93%          | 490.39%          | 757.37%          | 656.17%          | 592.97%          | 829.29%          | 599.09%          |

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

|   | Fiscal Year Ended June 30, |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2024                       | 2023               | 2022               | 2021               | 2020               | 2019               | 2018               | 2017               | 2016               | 2015               |
| Total Pension Liability                                       | \$ 53,126                  | \$ 52,932          | \$ 52,842          | \$ 53,126          | \$ 51,905          | \$ 52,561          | \$ 50,802          | \$ 48,503          | \$ 48,936          | \$ 44,478          |
| Plan Net Position   | 85,426                     | 81,108             | 78,966             | 84,718             | 68,837             | 71,836             | 69,287             | 66,401             | 61,050             | 62,103             |
| Net Pension Liability   | <u>\$ (32,300)</u>         | <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> |
| Percentage of Plan Net Position to<br>Total Pension Liability | 160.80%                    | 153.23%            | 149.44%            | 159.47%            | 132.62%            | 136.67%            | 136.39%            | 136.90%            | 124.76%            | 139.63%            |
| Covered Payroll   | N/A                        | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |
| Net Pension Liability as a Percentage<br>of Covered Payroll   | N/A                        | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |

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

|   | Fiscal Year Ended June 30, |                     |                     |                     |                      |                     |                      |                      |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
|   | 2024                       | 2023                | 2022                | 2021                | 2020                 | 2019                | 2018                 | 2017                 | 2016                | 2015                |
| Total Pension Liability                                       | \$ 26,286,206              | \$ 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       |
| Plan Net Position   | 17,498,210                 | 16,261,794          | 15,550,702          | 16,361,526          | 13,019,197           | 13,544,692          | 12,970,301           | 12,509,356           | 11,532,838          | 11,497,723          |
| Net Pension Liability   | <u>\$ 8,787,996</u>        | <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> |
| Percentage of Plan Net Position to<br>Total Pension Liability | 66.57%                     | 65.19%              | 64.87%              | 69.77%              | 39.11%               | 64.13%              | 52.17%               | 52.95%               | 61.58%              | 63.97%              |
| Covered Payroll   | \$ 3,992,086               | \$ 3,645,973        | \$ 3,214,178        | \$ 3,057,979        | \$ 3,048,404         | \$ 2,797,686        | \$ 2,678,215         | \$ 2,728,362         | \$ 2,740,527        | \$ 2,730,320        |
| Net Pension Liability as a Percentage<br>of Covered Payroll   | 220.14%                    | 238.19%             | 262.02%             | 231.77%             | 664.80%              | 270.84%             | 444.00%              | 407.33%              | 262.59%             | 237.23%             |

**STATE OF NEW MEXICO  
SCHEDULE OF NET OPEB LIABILITY  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY  
LAST EIGHT YEARS\*  
(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                       | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                |
| Total OPEB Liability                                       | \$ 3,366,767               | \$ 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>1,581,968</u>           | <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>\$ 1,784,799</u>        | <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<br>Total OPEB Liability | 46.99%                     | 44.16%              | 33.33%              | 25.39%              | 16.50%              | 18.92%              | 13.14%              | 11.34%              |
| Covered Payroll  | \$ 5,609,137               | \$ 4,952,013        | \$ 4,745,116        | \$ 4,614,244        | \$ 4,298,116        | \$ 4,172,929        | \$ 4,290,617        | \$ 4,165,647        |
| Net OPEB Liability as a Percentage<br>of Covered Payroll   | 31.82%                     | 34.39%              | 48.72%              | 71.31%              | 97.69%              | 77.70%              | 101.35%             | 108.79%             |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO  
SCHEDULE OF NET OPEB LIABILITY  
THE UNIVERSITY OF NEW MEXICO  
LAST EIGHT YEARS\*  
(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |            |            |            |            |            |            |            |
|---|----------------------------|------------|------------|------------|------------|------------|------------|------------|
|   | 2024                       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       |
| Total OPEB Liability:   |                            |            |            |            |            |            |            |            |
| Service Cost  | \$ 2,128                   | \$ 2,180   | \$ 1,742   | \$ 1,891   | \$ 3,267   | \$ 3,501   | \$ 3,526   | \$ 3,019   |
| Interest  | 11,753                     | 11,248     | 9,366      | 892        | 10,640     | 10,007     | 9,469      | 9,058      |
| Differences Between Expected and Actual Experience                          | (26,284)                   | -          | 23,091     | -          | (38,575)   | -          | -          | -          |
| Changes of Assumptions  | 36,580                     | (3,057)    | 4,104      | (6,534)    | 7,729      | (7,105)    | (6,444)    | 7,114      |
| Benefit Payments  | (5,372)                    | (5,415)    | (5,444)    | (5,296)    | 5,298      | (4,913)    | (4,841)    | (4,818)    |
| Net Change in Total OPEB Liability  | 18,805                     | 4,956      | 32,859     | (1,018)    | (22,236)   | 1,490      | 1,710      | 14,373     |
| Total OPEB Liability - Beginning  | 170,850                    | 165,894    | 133,035    | 134,053    | 156,289    | 154,799    | 153,089    | 138,715    |
| Total OPEB Liability- Ending (a)  | 189,655                    | 170,850    | 165,894    | 133,035    | 134,053    | 156,289    | 154,799    | 153,089    |
| Plan Fiduciary Net Position:  |                            |            |            |            |            |            |            |            |
| Contributions - Employer  | 7,302                      | 7,383      | 7,490      | 7,460      | 7,513      | 7,322      | 7,467      | 7,675      |
| Contributions - Member  | 1,930                      | 1,967      | 2,047      | 2,164      | 2,215      | 2,408      | 2,625      | 2,856      |
| Net investment Income   | 5,364                      | (10,734)   | 11,408     | 1,854      | 2,111      | 2,080      | 1,615      | 895        |
| Benefit Payments  | (5,372)                    | (5,415)    | (5,444)    | (5,296)    | (5,298)    | (4,913)    | (4,841)    | (4,818)    |
| Administrative Expense  | (7)                        | (6)        | (9)        | (3)        | (5)        | (5)        | -          | -          |
| Net Change in Plan Fiduciary Net Position                                   | 9,217                      | (6,805)    | 15,492     | 6,179      | 6,536      | 6,892      | 6,866      | 6,608      |
| Plan Fiduciary Net Position - Beginning                                     | 52,207                     | 59,012     | 43,520     | 37,341     | 30,805     | 23,913     | 17,045     | 10,435     |
| Plan Fiduciary Net Position- Ending (b)                                     | 61,424                     | 52,207     | 59,012     | 43,520     | 37,341     | 30,805     | 23,913     | 17,045     |
| University's Net OPEB Liability - Ending (a)-(b)                            | \$ 128,231                 | \$ 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     | 32.39%                     | 30.56%     | 35.57%     | 32.71%     | 27.86%     | 19.71%     | 15.45%     | 11.13%     |
| Covered-Employee Payroll  | \$ 257,325                 | \$ 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 | 49.83%                     | 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 : There is no change in the Total OPEB Liability from June 30, 2021 to June 30, 2022 due to differences in expected and actual experience. The \$26,283,900 decrease in liability from June 30, 2022 to June 30, 2023 is due to changes in the census, claims, and premiums experience.

Changes in Assumptions : The \$3,057,100 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the increase in the assumed discount rate from 6.80% to 6.90% as of the respective measurement dates. The \$36,580,100 increase in the liability from June 30, 2022 to June 30, 2023 is due to the decrease in the assumed discount rate from 6.90% to 5.85% as of the respective measurement dates, as well as updates to the trend and mortality assumptions.

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO  
SCHEDULE OF NET OPEB LIABILITY  
NEW MEXICO STATE UNIVERSITY  
LAST SEVEN YEARS\*  
(IN THOUSANDS)**

|  | Fiscal Year Ending June 30, |                   |                   |                   |                   |                   |                   |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2024                        | 2023              | 2022              | 2021              | 2020              | 2019              | 2018              |
| Total OPEB Liability:  |                             |                   |                   |                   |                   |                   |                   |
| Service Cost   | \$ 4,104                    | \$ 3,955          | \$ 6,726          | \$ 6,497          | \$ 5,787          | \$ 5,127          | \$ 4,936          |
| Interest   | 4,827                       | 4,627             | 3,802             | 3,745             | 5,208             | 5,268             | 5,291             |
| Current Recognized Deferred Outflows/(Inflows):                                |                             |                   |                   |                   |                   |                   |                   |
| Difference Between Expected and Actual Experience                              | (5,184)                     | -                 | (20,103)          | -                 | (13,724)          | -                 | -                 |
| Changes in Assumptions or Other Inputs   | 10,288                      | (1,882)           | (27,754)          | 1,340             | 28,160            | 7,135             | (5,357)           |
| Benefit Payments   | <u>(5,031)</u>              | <u>(5,561)</u>    | <u>(4,845)</u>    | <u>(5,718)</u>    | <u>(5,274)</u>    | <u>(5,758)</u>    | <u>(5,523)</u>    |
| Net Change in Total OPEB Liability   | 9,004                       | 1,139             | (42,174)          | 5,864             | 20,157            | 11,772            | (653)             |
| Total OPEB Liability - Beginning   | <u>130,658</u>              | <u>129,519</u>    | <u>171,693</u>    | <u>165,829</u>    | <u>145,672</u>    | <u>133,899</u>    | <u>134,552</u>    |
| Total OPEB Liability - Ending  | <u>\$ 139,662</u>           | <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   | \$ 111,227                  | \$ 119,786        | \$ 116,865        | \$ 135,947        | \$ 131,987        | \$ 153,961        | \$ 150,205        |
| University's Net OPEB Liability as a Percentage<br>of Covered-Employee Payroll | 126%                        | 109%              | 111%              | 126%              | 126%              | 95%               | 89%               |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.



**STATE OF NEW MEXICO  
SCHEDULE OF NET OPEB LIABILITY  
NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY  
LAST EIGHT YEARS\*  
(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |                  |                  |                  |                  |                  |                  |                  |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2024                       | 2023             | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             |
| Total OPEB Liability:   |                            |                  |                  |                  |                  |                  |                  |                  |
| Service Cost  | \$ 3,561                   | \$ 5,036         | \$ 2,993         | \$ 2,182         | \$ 1,999         | \$ 2,317         | \$ 2,697         | \$ 2,149         |
| Interest Cost   | 2,013                      | 1,488            | 1,377            | 1,388            | 1,518            | 1,377            | 1,225            | 1,194            |
| Differences Between Expected and Actual Experience                          | (6,434)                    | -                | 12,357           | -                | (5,898)          | -                | -                | -                |
| Changes of Assumptions  | 1,032                      | (15,164)         | 7,720            | 6,895            | 2,050            | (1,486)          | (3,354)          | 3,706            |
| Benefit Payments  | (1,615)                    | (1,545)          | (1,477)          | (1,273)          | (61)             | (649)            | (1,490)          | (930)            |
| Net Change in Total OPEB Liability  | (1,443)                    | (10,185)         | 22,970           | 9,192            | (392)            | 1,559            | (922)            | 6,119            |
| Total OPEB Liability- Beginning   | 54,108                     | 64,293           | 41,323           | 32,131           | 32,523           | 30,964           | 31,886           | 25,765           |
| Total OPEB Liability- Ending (a)  | 52,665                     | 54,108           | 64,293           | 41,323           | 32,131           | 32,523           | 30,964           | 31,886           |
| Plan Fiduciary Net Position:  |                            |                  |                  |                  |                  |                  |                  |                  |
| Contributions - Employer  | 755                        | 803              | 689              | 705              | 2,239            | 3,997            | 4,998            | 4,936            |
| Contributions - Member  | 813                        | 780              | 735              | 650              | 1,632            | 3,386            | 3,706            | 3,628            |
| Net Investment Income   | 117                        | (294)            | 715              | 85               | 149              | 173              | 208              | 29               |
| Benefit Payments  | (1,615)                    | (1,544)          | (1,477)          | (1,273)          | (61)             | (649)            | (1,490)          | (930)            |
| Administrative Expense  | (149)                      | (126)            | (97)             | (88)             | (306)            | (359)            | (378)            | (388)            |
| Other   | 224                        | (280)            | 147              | 6                | (3,714)          | (5,899)          | (6,132)          | (5,963)          |
| Net Change in Plan Fiduciary Net Position                                   | 145                        | (661)            | 712              | 85               | (61)             | 649              | 912              | 1,312            |
| Plan Fiduciary Net Position - Beginning                                     | 4,379                      | 5,040            | 4,328            | 4,243            | 4,304            | 3,655            | 2,743            | 1,431            |
| Plan Fiduciary Net Position - Ending (b)                                    | 4,524                      | 4,379            | 5,040            | 4,328            | 4,243            | 4,304            | 3,655            | 2,743            |
| University's Net OPEB Liability - Ending (a)-(b)                            | <u>\$ 48,141</u>           | <u>\$ 49,729</u> | <u>\$ 59,253</u> | <u>\$ 36,995</u> | <u>\$ 27,888</u> | <u>\$ 28,219</u> | <u>\$ 27,309</u> | <u>\$ 29,143</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability     | 8.6%                       | 8.1%             | 7.8%             | 10.5%            | 13.2%            | 13.2%            | 11.8%            | 8.6%             |
| Covered-Employee Payroll  | \$ 56,944                  | \$ 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 | 85%                        | 99%              | 122%             | 121%             | 93%              | 100%             | 97%              | 104%             |

Notes to the Schedule:

Benefits Changes: None

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.

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

|   | Fiscal Year Ended June 30, |                   |                   |              |              |              |              |              |              |              |
|---|----------------------------|-------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2024                       | 2023              | 2022              | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
| Statutory Required Contributions                          | \$ 657,561                 | \$ 599,244        | \$ 531,398        | \$ 379,185   | \$ 368,425   | \$ 339,676   | \$ 319,499   | \$ 332,473   | \$ 324,752   | \$ 317,164   |
| Actual Employer Contributions                             | 521,674                    | 454,462           | 395,408           | 379,185      | 368,425      | 339,676      | 319,499      | 332,473      | 324,752      | 317,164      |
| Annual Contribution Deficiency                            | <u>\$ 135,887</u>          | <u>\$ 144,782</u> | <u>\$ 135,990</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered Payroll   | \$ 2,887,875               | \$ 2,537,115      | \$ 2,460,174      | \$ 2,482,249 | \$ 2,339,923 | \$ 2,287,712 | \$ 2,265,036 | \$ 2,193,889 | \$ 2,326,943 | \$ 2,248,254 |
| Annual Contribution as a Percentage<br>of Covered Payroll | 18.06%                     | 17.91%            | 16.07%            | 15.28%       | 15.75%       | 14.85%       | 14.11%       | 15.15%       | 13.96%       | 14.11%       |

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

|   | Fiscal Year Ended June 30, |               |                    |               |                 |                 |               |               |               |               |
|---|----------------------------|---------------|--------------------|---------------|-----------------|-----------------|---------------|---------------|---------------|---------------|
|   | 2024                       | 2023          | 2022               | 2021          | 2020            | 2019            | 2018          | 2017          | 2016          | 2015          |
| Statutory Required Contributions                          | \$ 7,463                   | \$ 7,186      | \$ 7,205           | \$ 5,858      | \$ 6,045        | \$ 5,881        | \$ 4,908      | \$ 4,975      | \$ 4,816      | \$ 4,919      |
| Actual Employer Contributions                             | 6,694                      | 6,352         | 25,619             | 5,626         | 4,683           | 4,731           | 4,723         | 4,524         | 4,237         | 4,196         |
| Annual Contribution Deficiency (Excess)                   | <u>\$ 769</u>              | <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> |
| Covered Payroll   | \$ 22,364                  | \$ 21,443     | \$ 17,681          | \$ 16,985     | \$ 16,090       | \$ 16,292       | \$ 15,126     | \$ 15,493     | \$ 15,612     | \$ 15,084     |
| Annual Contribution as a Percentage<br>of Covered Payroll | 29.93%                     | 29.62%        | 144.90%            | 33.12%        | 29.11%          | 29.04%          | 31.22%        | 29.20%        | 27.14%        | 27.82%        |

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

|   | Fiscal Year Ended June 30, |               |              |                |               |               |               |               |               |                 |
|---|----------------------------|---------------|--------------|----------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|   | 2024                       | 2023          | 2022         | 2021           | 2020          | 2019          | 2018          | 2017          | 2016          | 2015            |
| Statutory Required Contributions                          | \$ 2,530                   | \$ 2,724      | \$ 2,396     | \$ 2,306       | \$ 1,923      | \$ 1,862      | \$ 1,588      | \$ 1,576      | \$ 1,463      | \$ 1,967        |
| Actual Employer Contributions                             | 2,619                      | 2,538         | 2,385        | 2,348          | 1,293         | 1,236         | 1,232         | 1,282         | 1,280         | 937             |
| Annual Contribution Deficiency (Excess)                   | <u>\$ (89)</u>             | <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> |
| Covered Payroll   | \$ 6,550                   | \$ 7,212      | \$ 6,289     | \$ 6,092       | \$ 6,025      | \$ 6,025      | \$ 5,638      | \$ 5,633      | \$ 5,243      | \$ 5,066        |
| Annual Contribution as a Percentage<br>of Covered Payroll | 39.97%                     | 35.18%        | 37.91%       | 38.53%         | 21.45%        | 20.52%        | 21.85%        | 22.76%        | 24.42%        | 18.49%          |

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

|   | Fiscal Year Ended June 30, |        |        |        |        |        |        |        |        |        |
|---|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 2024                       | 2023   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| Statutory Required Contributions                          | \$ 750                     | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Actual Employer Contributions                             | 750                        | 750    | 750    | 750    | 750    | 750    | 750    | 750    | 750    | 750    |
| Annual Contribution Deficiency                            | \$ -                       | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   |
| Covered Payroll   | N/A                        | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    |
| Annual Contribution as a Percentage<br>of Covered Payroll | N/A                        | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    |

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

|   | Fiscal Year        |                  |                   |                   |                   |                   |                   |                  |                  |                  |
|---|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
|   | 2024               | 2023             | 2022              | 2021              | 2020              | 2019              | 2018              | 2017             | 2016             | 2015             |
| Statutory Required Contributions                          | \$ 732,010         | \$ 690,316       | \$ 627,461        | \$ 656,732        | \$ 586,452        | \$ 587,331        | \$ 546,593        | \$ 477,840       | \$ 465,341       | \$ 450,951       |
| Actual Employer Contributions                             | 770,384            | 662,750          | 511,944           | 452,872           | 451,556           | 406,549           | 388,724           | 395,844          | 396,989          | 395,130          |
| Annual Contribution Deficiency (Excess)                   | <u>\$ (38,374)</u> | <u>\$ 27,566</u> | <u>\$ 115,517</u> | <u>\$ 203,860</u> | <u>\$ 134,895</u> | <u>\$ 180,782</u> | <u>\$ 157,869</u> | <u>\$ 81,996</u> | <u>\$ 68,352</u> | <u>\$ 55,821</u> |
| Covered Payroll   | \$ 3,992,086       | \$ 3,645,973     | \$ 3,214,178      | \$ 3,057,979      | \$ 3,048,404      | \$ 2,797,686      | \$ 2,678,215      | \$ 2,728,362     | \$ 2,740,527     | \$ 2,730,320     |
| Annual Contribution as a Percentage<br>of Covered Payroll | 19.30%             | 18.18%           | 15.93%            | 14.81%            | 14.81%            | 14.53%            | 14.51%            | 14.51%           | 14.49%           | 14.47%           |

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST EIGHT YEARS**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |
|---|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         |
| Statutory Required Contributions                          | \$ 127,361                 | \$ 114,542   | \$ 101,585   | \$ 96,585    | \$ 96,504    | \$ 88,516    | \$ 85,402    | \$ 85,858    |
| Actual Employer Contributions                             | 127,361                    | 114,542      | 101,585      | 96,585       | 96,504       | 88,516       | 85,402       | 85,858       |
| Annual Contribution Deficiency                            | <u>\$ -</u>                | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered Payroll   | \$ 5,609,137               | \$ 4,952,013 | \$ 4,745,116 | \$ 4,614,244 | \$ 4,298,116 | \$ 4,172,929 | \$ 4,290,617 | \$ 4,165,647 |
| Annual Contribution as a Percentage<br>of Covered Payroll | 2.27%                      | 2.31%        | 2.14%        | 2.09%        | 2.25%        | 2.12%        | 1.99%        | 2.06%        |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB  
THE UNIVERSITY OF NEW MEXICO  
LAST EIGHT YEARS\*  
(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |            |            |            |            |            |            |            |
|--|----------------------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2024                       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       |
| Actuarially Determined Contribution                                  | \$ 7,333                   | \$ 7,302   | \$ 7,383   | \$ 7,490   | \$ 7,459   | \$ 7,513   | \$ 7,322   | \$ 7,467   |
| Contributions in Relation to the Actuarially Determined Contribution | 7,333                      | 7,302      | 7,383      | 7,490      | 7,459      | 7,513      | 7,322      | 7,467      |
| Contribution Deficiency  | \$ -                       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Covered Employee Payroll   | \$ 259,428                 | \$ 257,325 | \$ 262,303 | \$ 272,863 | \$ 288,544 | \$ 295,345 | \$ 321,166 | \$ 350,452 |
| Contributions as a Percentage of Payroll                             | 2.83%                      | 2.84%      | 2.81%      | 2.74%      | 2.59%      | 2.54%      | 2.28%      | 2.13%      |

Notes to Schedule:

Valuation Date January 1, 2023

Methods and Assumptions used to Determine

Contribution Rates:

Actuarial Cost Method

Asset Valuation Method

Healthcare Cost Trend Rates

Salary Increases

Investment Rate of Return

Retirement Age

Mortality

Entry age normal – level % of salary

Market value of assets

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%

2.0%

6.0%, net of OPEB plan investment expense, including inflation

63

PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-2021.

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.



**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**  
**NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |           |           |           |           |           |           |           |
|--|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | 2024                       | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      |
| Actuarially Determined Contribution                                  | \$ 819                     | \$ 755    | \$ 803    | \$ 689    | \$ 705    | \$ 2,239  | \$ 3,997  | \$ 4,998  |
| Contributions in Relation to the Actuarially Determined Contribution | 819                        | 755       | 803       | 689       | 705       | 2,239     | 3,997     | 4,998     |
| Contribution Deficiency  | \$ -                       | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Covered Employee Payroll   | \$ 56,944                  | \$ 50,301 | \$ 48,653 | \$ 31,793 | \$ 30,619 | \$ 14,433 | \$ 28,337 | \$ 28,142 |
| Contributions as a Percentage of Payroll                             | 1.4%                       | 1.5%      | 1.7%      | 2.2%      | 2.3%      | 15.5%     | 14.1%     | 17.8%     |

Notes to Schedule:

Valuation Date July 1, 2024

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: 7500% initially, reduced by decrements to a rate of 4.5% after nine years

Medical Post-Medicare: 6.255% initially, reduce by decrements to a rate of 4.50% after nine years

Pharmacy: 12.00% 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

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - PENSION**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |       |        |        |        |       |       |        |       |       |
|---|----------------------------|-------|--------|--------|--------|-------|-------|--------|-------|-------|
|   | 2024                       | 2023  | 2022   | 2021   | 2020   | 2019  | 2018  | 2017   | 2016  | 2015  |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expenses | 8.04%                      | 3.62% | -3.11% | 25.36% | -2.70% | 5.60% | 6.50% | 10.60% | 0.70% | 1.70% |

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

|   | Fiscal Year Ended June 30, |       |       |        |        |       |       |        |       |       |
|---|----------------------------|-------|-------|--------|--------|-------|-------|--------|-------|-------|
|   | 2024                       | 2023  | 2022  | 2021   | 2020   | 2019  | 2018  | 2017   | 2016  | 2015  |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expenses | 8.64%                      | 5.62% | 1.00% | 28.76% | -0.97% | 7.29% | 8.38% | 11.91% | 2.68% | 4.06% |

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - OPEB**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |       |        |        |       |       |       |
|---|----------------------------|-------|--------|--------|-------|-------|-------|
|   | 2024                       | 2023  | 2022   | 2021   | 2020  | 2019  | 2018  |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expenses | 11.47%                     | 5.99% | -0.86% | 22.59% | 1.43% | 6.53% | 9.06% |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO  
SCHEDULE OF INVESTMENT RETURNS - OPEB  
THE UNIVERSITY NEW MEXICO  
LAST EIGHT YEARS\*  
(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |       |         |        |       |       |        |
|--|----------------------------|-------|---------|--------|-------|-------|--------|
|  | 2024                       | 2023  | 2022    | 2021   | 2020  | 2019  | 2018   |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 11.32%                     | 9.83% | -17.43% | 26.04% | 4.55% | 6.18% | 6.77%  |
|  |                            |       |         |        |       |       | 11.26% |

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - OPEB**  
**NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |       |         |        |       |       |       |
|--|----------------------------|-------|---------|--------|-------|-------|-------|
|  | 2024                       | 2023  | 2022    | 2021   | 2020  | 2019  | 2018  |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 10.89%                     | 8.05% | -11.83% | 36.75% | 3.70% | 7.10% | 9.40% |

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO  
SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS  
ALL RETIREMENT SYSTEMS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                            | PERS                     | JRS                        | MRS                            | VFRS                     | EERS  |
|----------------------------|--------------------------|----------------------------|--------------------------------|--------------------------|---|
| Valuation Date             | June 30, 2023            | June 30, 2023              | June 30, 2023                  | June 30, 2023            | June 30, 2023   |
| 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%  |
| 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       | PUB-2010 Mortality Table | PUB-2010 Mortality Table   | PUB-2010 Mortality Table       | PUB-2010 Mortality Table | 2020 GRS Southwest Region Teacher Mortality Table             |
| Discount Rate              | 7.25%                    | 5.54%                      | 5.84%                          | 7.25%                    | 7.00%   |
| Municipal Bond Rate        | -                        | 3.97%                      | 3.97%                          | -                        | -   |

Notes to Schedule:

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**  
**YEAR ENDED JUNE 30, 2024**  
**(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  |
| Actuarial Assumptions:      |   |
| Inflation                   | 2.30% for ERB and 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               | 7.00%   |
| Healthcare 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 YEARS**  
**(IN THOUSANDS)**

| PERA - State-Funded Divisions  | Measurement Date |               |               |               |               |               |               |               |               |               |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | June 30, 2023    | 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  | 50.70%           | 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   | \$ 4,095,436     | \$ 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 **   | \$ 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  | \$ 1,137,325  |
| State Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | 308.80%          | 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<br>Total Pension Liability                    | 67.26%           | 69.35%        | 77.25%        | 66.36%        | 70.52%        | 71.13%        | 73.74%        | 69.18%        | 76.99%        | 81.29%        |

\*\* 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**  
**(IN THOUSANDS)**

| PERA - Judicial Fund   | Measurement Date |               |               |               |               |               |               |               |               |               |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | June 30, 2023    | 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   | \$ 109,880       | \$ 92,243     | \$ 72,669     | \$ 138,539    | \$ 113,675    | \$ 84,479     | \$ 86,675     | \$ 106,623    | \$ 48,050     | \$ 41,311     |
| State Covered Payroll **   | \$ 21,443        | \$ 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<br>as a Percentage of its Covered Payroll | 512.43%          | 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<br>Total Pension Liability                    | 50.62%           | 54.75%        | 58.21%        | 37.99%        | 44.67%        | 51.95%        | 50.83%        | 44.34%        | 64.94%        | 68.81%        |

\*\* 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**  
**(IN THOUSANDS)**

| PERA - Magistrate Fund   | Measurement Date |               |               |               |               |               |               |               |               |               |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | June 30, 2023    | 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%            | 0.00%         | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       |
| State Proportionate Share of the Net Pension Liability   | \$ 40,719        | \$ 43,041     | \$ 24,365     | \$ 29,547     | \$ 45,634     | \$ 36,998     | \$ 33,403     | \$ 43,481     | \$ 30,349     | \$ 21,216     |
| State Covered Payroll **   | \$ 7,212         | \$ 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<br>as a Percentage of its Covered Payroll | 564.60%          | 684.28%       | 399.95%       | 490.41%       | 757.41%       | 656.23%       | 592.99%       | 829.29%       | 599.07%       | 603.41%       |
| Plan Fiduciary Net Position as a Percentage of the<br>Total Pension Liability                    | 44.37%           | 42.95%        | 59.07%        | 49.59%        | 41.07%        | 46.45%        | 49.10%        | 41.65%        | 52.23%        | 62.38%        |

\*\* 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**  
**(IN THOUSANDS)**

| PERA - Volunteer Firefighters Fund   | Measurement Date |               |               |               |               |               |               |               |               |               |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | June 30, 2023    | 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   | \$ (28,176)      | \$ (26,125)   | \$ (31,593)   | \$ (16,932)   | \$ (19,276)   | \$ (18,485)   | \$ (17,898)   | \$ (12,114)   | \$ (17,625)   | \$ (21,042)   |
| State Covered Payroll **   | *                | *             | *             | *             | *             | *             | *             | *             | *             | *             |
| State Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | N/A              | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           |
| Plan Fiduciary Net Position as a Percentage of the<br>Total Pension Liability                    | N/A              | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           |

\* There is no covered payroll. The State Legislature provides a contribution of \$750 thousand per year.

\*\* 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**  
**(IN THOUSANDS)**

| ERB - State Agencies   | Measurement Date |               |               |               |               |               |               |               |               |               |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | June 30, 2023    | 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  | 0.23%            | 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   | \$ 20,171        | \$ 22,714     | \$ 18,663     | \$ 54,568     | \$ 22,005     | \$ 34,028     | \$ 30,486     | \$ 21,580     | \$ 22,015     | \$ 19,127     |
| State Covered Payroll *  | \$ 10,284        | \$ 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<br>as a Percentage of its Covered Payroll | 196.14%          | 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<br>Total Pension Liability                    | 65.19%           | 64.87%        | 69.77%        | 39.11%        | 64.13%        | 52.17%        | 52.95%        | 61.58%        | 63.97%        | 66.54%        |

\* 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, 2023    | 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  | 25.63%           | 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   | \$ 2,225,358     | \$ 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 *  | \$ 1,110,066     | \$ 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<br>as a Percentage of its Covered Payroll | 200.47%          | 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<br>Total Pension Liability                    | 65.19%           | 64.87%        | 69.77%        | 39.11%        | 64.13%        | 52.17%        | 52.95%        | 61.58%        | 63.97%        | 66.54%        |

\* 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 SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - State-Funded Divisions  | Measurement Date |               |               |               |               |               |               |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | June 30, 2023    | 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  | 23.80%           | 23.88%        | 24.12%        | 24.03%        | 24.22%        | 24.13%        | 24.12%        |
| State Proportionate Share of the Net OPEB Liability   | \$ 405,285       | \$ 552,044    | \$ 793,748    | \$ 1,008,906  | \$ 785,609    | \$ 1,049,291  | \$ 1,093,162  |
| State Covered Payroll **  | \$ 1,362,500     | \$ 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<br>as a Percentage of its Covered Payroll | 29.75%           | 43.87%        | 66.68%        | 87.80%        | 75.88%        | 101.86%       | 105.56%       |
| Plan Fiduciary Net Position as a Percentage of the<br>Total OPEB Liability                    | 44.16%           | 33.33%        | 25.39%        | 16.50%        | 18.92%        | 13.14%        | 11.34%        |

\* 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.

\*\* 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 SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - Educational Institutions  | Measurement Date |               |               |               |               |               |               |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | June 30, 2023    | 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  | 2.63%            | 2.75%         | 2.75%         | 2.67%         | 2.73%         | 2.86%         | 2.89%         |
| State Proportionate Share of the Net OPEB Liability   | \$ 44,823        | \$ 63,643     | \$ 90,524     | \$ 112,118    | \$ 88,554     | \$ 124,460    | \$ 130,892    |
| State Covered Payroll **  | \$ 153,000       | \$ 137,600    | \$ 129,350    | \$ 127,700    | \$ 122,700    | \$ 128,727    | \$ 123,997    |
| State Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Payroll | 29.30%           | 46.25%        | 69.98%        | 87.80%        | 72.17%        | 96.69%        | 105.56%       |
| Plan Fiduciary Net Position as a Percentage of the<br>Total OPEB Liability                    | 44.16%           | 33.33%        | 16.50%        | 16.50%        | 18.92%        | 13.14%        | 11.34%        |

\* 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.

\*\* 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 YEARS**  
**(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |              |              |              |              |              |            |              |              |              |
|--|----------------------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|
| PERA - State-Funded Divisions  | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018       | 2017         | 2016         | 2015         |
| Contractually Required Contribution                                  | \$ 290,027                 | \$ 251,754   | \$ 221,400   | \$ 209,237   | \$ 200,231   | \$ 181,674   | \$ 174,957 | \$ 184,801   | \$ 171,144   | \$ 176,397   |
| Contributions in Relation to Contractually<br>Required Contributions | 290,027                    | 251,754      | 221,400      | 209,237      | 200,231      | 181,674      | 174,957    | 184,801      | 171,144      | 176,397      |
| Contribution Deficiency  | \$ -                       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -         | \$ -         | \$ -         |
| State Covered Payroll **   | \$ 1,527,136               | \$ 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                     | 18.99%                     | 18.98%       | 19.22%       | 18.43%       | 18.01%       | 17.74%       | 17.71%     | 17.93%       | 14.35%       | 14.89%       |

\*\* 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**  
**(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |               |                    |               |                 |                 |               |               |               |               |
|--|----------------------------|---------------|--------------------|---------------|-----------------|-----------------|---------------|---------------|---------------|---------------|
| PERA - Judicial Fund   | 2024                       | 2023          | 2022               | 2021          | 2020            | 2019            | 2018          | 2017          | 2016          | 2015          |
| Contractually Required Contribution                                  | \$ 7,463                   | \$ 7,186      | \$ 7,205           | \$ 5,858      | \$ 6,045        | \$ 5,881        | \$ 4,908      | \$ 4,975      | \$ 4,816      | \$ 4,919      |
| Contributions in Relation to Contractually<br>Required Contributions | 6,694                      | 6,352         | 25,619             | 5,626         | 4,683           | 4,731           | 4,723         | 4,524         | 4,237         | 4,196         |
| Contribution Deficiency (Excess)                                     | <u>\$ 769</u>              | <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> |
| State Covered Payroll **   | \$ 22,364                  | \$ 21,443     | \$ 17,681          | \$ 16,985     | \$ 16,090       | \$ 16,292       | \$ 15,126     | \$ 15,493     | \$ 15,612     | \$ 15,084     |
| Contributions as a Percentage of Covered Payroll                     | 29.94%                     | 29.63%        | 144.91%            | 33.13%        | 29.11%          | 29.04%          | 31.23%        | 29.20%        | 27.14%        | 27.82%        |

\*\* 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**  
**(IN THOUSANDS)**

|  | Fiscal Year Ended June 30, |               |              |                |               |               |               |               |               |                 |
|--|----------------------------|---------------|--------------|----------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| PERA - Magistrate Fund   | 2024                       | 2023          | 2022         | 2021           | 2020          | 2019          | 2018          | 2017          | 2016          | 2015            |
| Contractually Required Contribution                                  | \$ 2,530                   | \$ 2,724      | \$ 2,396     | \$ 2,306       | \$ 1,923      | \$ 1,862      | \$ 1,588      | \$ 1,576      | \$ 1,463      | \$ 1,967        |
| Contributions in Relation to Contractually<br>Required Contributions | 2,619                      | 2,538         | 2,385        | 2,348          | 1,293         | 1,236         | 1,232         | 1,282         | 1,280         | 937             |
| Contribution Deficiency (Excess)                                     | <u>\$ (89)</u>             | <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> |
| State Covered Payroll **   | \$ 6,550                   | \$ 7,212      | \$ 6,290     | \$ 6,092       | \$ 6,025      | \$ 6,025      | \$ 5,638      | \$ 5,633      | \$ 5,243      | \$ 5,066        |
| Contributions as a Percentage of Covered Payroll                     | 39.98%                     | 35.19%        | 37.92%       | 38.54%         | 21.45%        | 20.51%        | 21.85%        | 22.76%        | 24.42%        | 18.49%          |

\*\* 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**  
**(IN THOUSANDS)**

|   | Fiscal Year Ended June 30, |             |             |             |             |             |             |             |             |             |
|---|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PERA - Volunteer Firefighters Fund                                | 2024                       | 2023        | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
| Statutorily Determined Contribution                               | \$ 750                     | \$ 750      | \$ 750      | \$ 750      | \$ 750      | \$ 750      | \$ 750      | \$ 750      | \$ 750      | \$ 750      |
| Contributions in Relation to Statutorily Determined Contributions | 750                        | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         |
| 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         |

\* 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**  
**(IN THOUSANDS)**

| ERB - State Agencies  | Fiscal Year Ended June 30, |             |             |             |             |             |             |             |             |             |
|---|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2024                       | 2023        | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
| Contractually Required Contribution                               | \$ 1,740                   | \$ 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 | 1,740                      | 1,558       | 1,352       | 1,194       | 1,217       | 1,180       | 1,112       | 1,190       | 1,343       | 1,215       |
| Contribution Deficiency (Excess)                                  | <u>\$ -</u>                | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| State Covered Payroll **  | \$ 11,485                  | \$ 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%      | 15.15%      | 14.15%      | 14.15%      | 13.90%      | 13.90%      | 13.90%      | 13.90%      | 13.15%      |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

| ERB - Educational Institutions                                    | Fiscal Year Ended June 30, |              |             |             |             |             |             |             |             |             |
|---|----------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2024                       | 2023         | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
| Contractually Required Contribution                               | \$ 199,489                 | \$ 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 | 199,489                    | 168,175      | 135,172     | 121,043     | 121,126     | 113,215     | 111,586     | 113,728     | 113,979     | 105,788     |
| Contribution Deficiency (Excess)                                  | <u>\$ -</u>                | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Educational Institutions' Covered Payroll **                      | \$ 1,316,759               | \$ 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%       | 15.15%      | 14.15%      | 14.15%      | 13.90%      | 13.90%      | 13.90%      | 13.90%      | 13.15%      |

\*\* 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 SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - State-Funded Divisions                         | Fiscal Year Ended June 30, |              |              |              |              |              |              |
|--|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
| Contractually Required Contribution                                  | \$ 30,727                  | \$ 27,250    | \$ 25,168    | \$ 23,808    | \$ 22,981    | \$ 20,707    | \$ 20,602    |
| Contributions in Relation to Contractually<br>Required Contributions | 30,727                     | 27,250       | 25,168       | 23,808       | 22,981       | 20,707       | 20,602       |
| Contribution Deficiency (Excess)                                     | \$ -                       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| State Covered Payroll **   | \$ 1,536,350               | \$ 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%        | 2.00%        |

\* 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.

\*\* 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 SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - Educational Institutions                       | Fiscal Year Ended June 30, |              |              |              |              |              |              |
|--|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
| Contractually Required Contribution                                  | \$ 3,276                   | \$ 3,060     | \$ 2,752     | \$ 2,587     | \$ 2,554     | \$ 2,454     | \$ 2,575     |
| Contributions in Relation to Contractually<br>Required Contributions | <u>3,276</u>               | <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>  | <u>\$ -</u>  |
| State Covered Payroll **   | \$ 163,800                 | \$ 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%        | 2.00%        |

\* 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.

\*\* 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 BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024  
(IN THOUSANDS)**

|  | Debt Service<br>Fund | Capital<br>Projects<br>Fund | Children's<br>Trust Fund | Nonmajor<br>Governmental<br>Funds |
|--|----------------------|-----------------------------|--------------------------|-----------------------------------|
| <b>ASSETS</b>  |                      |                             |                          |                                   |
| Cash and Cash Equivalents  | \$ 15,557            | \$ -                        | \$ -                     | \$ 15,557                         |
| Investment in the State General Fund Investment Pool                     | 656,490              | 5,432,722                   | 89                       | 6,089,301                         |
| Due from Other Funds   | 330,587              | 807                         | -                        | 331,394                           |
| Receivables, Net   | 19,864               | 1,554                       | (1)                      | 21,417                            |
| Investments  | 18,066               | -                           | 10,851                   | 28,917                            |
| Total Assets   | <u>\$ 1,040,564</u>  | <u>\$ 5,435,083</u>         | <u>\$ 10,939</u>         | <u>\$ 6,486,586</u>               |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                      |                             |                          |                                   |
| <b>LIABILITIES</b>   |                      |                             |                          |                                   |
| Accounts Payable   | \$ 642               | \$ 133,632                  | \$ -                     | \$ 134,274                        |
| Accrued Liabilities  | -                    | 102                         | -                        | 102                               |
| Due to Other Funds   | -                    | 1,453                       | -                        | 1,453                             |
| Due to Educational Institutions Fund                                     | -                    | 32,603                      | -                        | 32,603                            |
| Due to Component Units   | -                    | 14,081                      | -                        | 14,081                            |
| Intergovernmental Payables   | -                    | 96,191                      | -                        | 96,191                            |
| Funds Held For Others  | -                    | 3                           | -                        | 3                                 |
| Other Obligations  | 2                    | 4,215                       | -                        | 4,217                             |
| Unearned Revenue   | -                    | 153,146                     | -                        | 153,146                           |
| Total Liabilities  | <u>644</u>           | <u>435,426</u>              | <u>-</u>                 | <u>436,070</u>                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                      |                             |                          |                                   |
| Leases   | -                    | 61                          | -                        | 61                                |
| Unavailable Revenues   | -                    | 43                          | -                        | 43                                |
| Total Deferred Inflows of Resources                                      | <u>-</u>             | <u>104</u>                  | <u>-</u>                 | <u>104</u>                        |
| <b>FUND BALANCES</b>   |                      |                             |                          |                                   |
| Nonspendable   | -                    | -                           | 2,000                    | 2,000                             |
| Restricted   | 1,047,916            | 5,008,094                   | 6,437                    | 6,062,447                         |
| Committed  | -                    | 20                          | 2,500                    | 2,520                             |
| Unassigned (Deficit)   | (7,996)              | (8,561)                     | 2                        | (16,555)                          |
| Total Fund Balances  | <u>1,039,920</u>     | <u>4,999,553</u>            | <u>10,939</u>            | <u>6,050,412</u>                  |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances   | <u>\$ 1,040,564</u>  | <u>\$ 5,435,083</u>         | <u>\$ 10,939</u>         | <u>\$ 6,486,586</u>               |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Debt Service<br>Fund | Capital<br>Projects<br>Fund | Children's<br>Trust Fund | Nonmajor<br>Governmental<br>Funds |
|--|----------------------|-----------------------------|--------------------------|-----------------------------------|
| <b>REVENUES</b>                                      |                      |                             |                          |                                   |
| Taxes:   |                      |                             |                          |                                   |
| General and Selective Taxes                          | \$ 2,240,962         | \$ 7,127                    | \$ -                     | \$ 2,248,089                      |
| Total Taxes  | 2,240,962            | 7,127                       | -                        | 2,248,089                         |
| Other Revenues:                                      |                      |                             |                          |                                   |
| Federal Revenue                                      | -                    | 55,937                      | -                        | 55,937                            |
| Investment Income                                    | 179,634              | 1,196                       | 1,665                    | 182,495                           |
| Rentals and Royalties                                | -                    | 9                           | -                        | 9                                 |
| Charges for Services                                 | 5,322                | 275                         | -                        | 5,597                             |
| Licenses, Fees, and Permits                          | 2,246                | -                           | 78                       | 2,324                             |
| Miscellaneous and Other                              | -                    | 12,269                      | -                        | 12,269                            |
| Total Revenues                                       | 2,428,164            | 76,813                      | 1,743                    | 2,506,720                         |
| <b>EXPENDITURES</b>                                  |                      |                             |                          |                                   |
| Current:   |                      |                             |                          |                                   |
| Culture, Recreation, and Natural Resources           | 39                   | 37,143                      | -                        | 37,182                            |
| Education  | -                    | 130,858                     | -                        | 130,858                           |
| General Control                                      | 1,975                | 248,623                     | -                        | 250,598                           |
| Health and Human Services                            | 3,996                | 105,501                     | -                        | 109,497                           |
| Highway and Transportation                           | -                    | 163,038                     | -                        | 163,038                           |
| Judicial   | 7                    | 2,655                       | -                        | 2,662                             |
| Public Safety  | -                    | 1,597                       | -                        | 1,597                             |
| Regulation and Licensing                             | -                    | 5,927                       | -                        | 5,927                             |
| Capital Outlay                                       | 7                    | 267,536                     | -                        | 267,543                           |
| Debt Service:  |                      |                             |                          |                                   |
| Principal  | 1,800,141            | -                           | -                        | 1,800,141                         |
| Interest and Other Charges                           | 88,161               | -                           | -                        | 88,161                            |
| Total Expenditures                                   | 1,894,326            | 962,878                     | -                        | 2,857,204                         |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 533,838              | (886,065)                   | 1,743                    | (350,484)                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                      |                             |                          |                                   |
| Bonds Issued   | -                    | 1,505,715                   | -                        | 1,505,715                         |
| Transfers In   | 2,090,084            | 1,907,688                   | -                        | 3,997,772                         |
| Transfers Out  | (2,650,220)          | (1,381,491)                 | -                        | (4,031,711)                       |
| Total Other Financing Sources (Uses)                 | (560,136)            | 2,031,912                   | -                        | 1,471,776                         |
| <b>NET CHANGE IN FUND BALANCES</b>                   | (26,298)             | 1,145,847                   | 1,743                    | 1,121,292                         |
| Fund Balance - Beginning                             | 1,066,218            | 3,853,706                   | 9,196                    | 4,929,120                         |
| <b>FUND BALANCES - ENDING</b>                        | \$ 1,039,920         | \$ 4,999,553                | \$ 10,939                | \$ 6,050,412                      |

**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 263.

**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 274.

**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 OF NEW MEXICO**  
**NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS (CONTINUED)**

**State Fair Commission**

This fund administers the operations of the annual New Mexico State Fair and the use of the Fairgrounds facilities during the year

**Department of Cultural Affairs**

This fund administers the enterprise operations of the Department of Cultural Affairs.

**Education Trust Board**

The Education Trust Board of New Mexico operates as a self-sustaining entity which is administratively connected to the NM Department of Higher Education. This fund administers New Mexico's Section 529 College Savings Plans under rules promulgated by the Board. The financial statements of the two savings plans are presented as a private purpose fiduciary trust fund.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                       | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|---------------------------------------|-----------------------------|---|---------------------------|------------------------|--|---------------------------------|
| <b>ASSETS</b>                         |                             |   |                           |                        |  |                                 |
| Current Assets:                       |                             |   |                           |                        |  |                                 |
| Cash and Cash Equivalents             | \$ -                        | \$ -  | \$ -                      | \$ -                   | \$ 685   | \$ -                            |
| Investment in the State General Fund  |                             |   |                           |                        |  |                                 |
| Investment Pool                       | 803                         | 2,199                                       | 222,623                   | 2,872                  | 574  | 13,594                          |
| Investment in the Local Government    |                             |   |                           |                        |  |                                 |
| Investment Pool                       | -                           | -   | -                         | -                      | 67,633   | -                               |
| Prepaid Expenses and Other Assets     | -                           | -   | -                         | 57                     | 256  | -                               |
| Due from Other Funds                  | -                           | -   | -                         | -                      | 6  | -                               |
| Receivables, Net                      | 219                         | 2,474                                       | 15,643                    | 829                    | 22,827   | 879                             |
| Investments                           | -                           | -   | -                         | -                      | -  | -                               |
| Inventories                           | -                           | 175   | -                         | 16                     | -  | -                               |
| Total Current Assets                  | 1,022                       | 4,848                                       | 238,266                   | 3,774                  | 91,981   | 14,473                          |
| Noncurrent Assets:                    |                             |   |                           |                        |  |                                 |
| Loans Receivable                      | -                           | -   | 203,778                   | -                      | -  | 8,848                           |
| Investments                           | -                           | -   | -                         | -                      | 42,697   | -                               |
| Nondepreciable Capital Assets         | -                           | -   | -                         | -                      | 237  | -                               |
| Capital Assets, Net                   | 5                           | 630   | -                         | 4                      | 9  | -                               |
| Total Noncurrent Assets               | 5                           | 630   | 203,778                   | 4                      | 42,943   | 8,848                           |
| Total Assets                          | 1,027                       | 5,478                                       | 442,044                   | 3,778                  | 134,924  | 23,321                          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                             |   |                           |                        |  |                                 |
| Deferred Outflows - OPEB              | 9                           | 113   | -                         | 60                     | 69   | -                               |
| Deferred Outflows - Pension           | 46                          | 593   | -                         | 298                    | 348  | -                               |
| Total Deferred Outflows               | 55                          | 706   | -                         | 358                    | 417  | -                               |



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Department<br>of Cultural<br>Affairs | Education<br>Trust<br>Board | Total      |
|---|-----------------------------------|-------------------------------------|--------------------------|--------------------------------------|-----------------------------|------------|
| <b>ASSETS</b>   |                                   |                                     |                          |                                      |                             |            |
| Current Assets:   |                                   |                                     |                          |                                      |                             |            |
| Cash and Cash Equivalents                               | \$ 415,573                        | \$ 209                              | \$ 1,659                 | \$ -                                 | \$ -                        | \$ 418,126 |
| Investment in the State General Fund<br>Investment Pool | (1,738)                           | 1,753                               | 1,559                    | 724                                  | 640                         | 245,603    |
| Investment in the Local Government<br>Investment Pool   | -                                 | -                                   | -                        | -                                    | 10,606                      | 78,239     |
| Prepaid Expenses and Other Assets                       | -                                 | -                                   | -                        | -                                    | (1)                         | 312        |
| Due from Other Funds                                    | -                                 | 2,340                               | -                        | -                                    | -                           | 2,346      |
| Receivables, Net  | 212,630                           | 4,551                               | 2,311                    | -                                    | 136                         | 262,499    |
| Investments   | -                                 | (1)                                 | -                        | -                                    | -                           | (1)        |
| Inventories   | -                                 | 623                                 | -                        | -                                    | -                           | 814        |
| Total Current Assets                                    | 626,465                           | 9,475                               | 5,529                    | 724                                  | 11,381                      | 1,007,938  |
| Noncurrent Assets:                                      |                                   |                                     |                          |                                      |                             |            |
| Loans Receivable  | -                                 | -                                   | 58,978                   | -                                    | -                           | 271,604    |
| Investments   | -                                 | 1,007                               | -                        | -                                    | -                           | 43,704     |
| Nondepreciable Capital Assets                           | -                                 | 709                                 | 2,489                    | -                                    | -                           | 3,435      |
| Capital Assets, Net                                     | -                                 | 19,302                              | 35,538                   | 69                                   | 162                         | 55,719     |
| Total Noncurrent Assets                                 | -                                 | 21,018                              | 97,005                   | 69                                   | 162                         | 374,462    |
| Total Assets  | 626,465                           | 30,493                              | 102,534                  | 793                                  | 11,543                      | 1,382,400  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                   |                                   |                                     |                          |                                      |                             |            |
| Deferred Outflows - OPEB                                | -                                 | 1,296                               | 191                      | -                                    | 32                          | 1,770      |
| Deferred Outflows - Pension                             | -                                 | 6,507                               | 961                      | -                                    | 161                         | 8,914      |
| Total Deferred Outflows                                 | -                                 | 7,803                               | 1,152                    | -                                    | 193                         | 10,684     |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|---|-----------------------------|---|---------------------------|------------------------|--|---------------------------------|
| <b>LIABILITIES</b>                            |                             |   |                           |                        |  |                                 |
| Current Liabilities:                          |                             |   |                           |                        |  |                                 |
| Accounts Payable                              | \$ 771                      | \$ 198                                      | \$ -                      | \$ 2,240               | \$ 93  | \$ -                            |
| Accrued Liabilities                           | 2                           | 33  | -                         | 17                     | 29   | -                               |
| Unearned Revenue                              | -                           | -   | -                         | 758                    | 104  | -                               |
| Due to Other Funds                            | -                           | -   | -                         | -                      | 7  | -                               |
| Funds Held for Others                         | -                           | -   | -                         | -                      | 3  | -                               |
| Other Liabilities                             | -                           | -   | -                         | 581                    | 1,941  | -                               |
| Bonds Payable - Current Portion               | -                           | -   | -                         | -                      | -  | -                               |
| Other Long-Term Liabilities - Current Portion | 2                           | 81  | -                         | 42                     | 39,273   | -                               |
| Total Current Liabilities                     | 775                         | 312   | -                         | 3,638                  | 41,450   | -                               |
| Noncurrent Liabilities:                       |                             |   |                           |                        |  |                                 |
| Bonds Payable                                 | -                           | -   | -                         | -                      | -  | -                               |
| Net Pension Liability                         | 292                         | 3,766                                       | -                         | 1,894                  | 2,217  | -                               |
| Net OPEB Liability                            | 29                          | 359   | -                         | 190                    | 221  | -                               |
| Other Long-Term Liabilities                   | 3                           | -   | -                         | 3                      | 104,608  | -                               |
| Total Noncurrent Liabilities                  | 324                         | 4,125                                       | -                         | 2,087                  | 107,046  | -                               |
| Total Liabilities                             | 1,099                       | 4,437                                       | -                         | 5,725                  | 148,496  | -                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                             |   |                           |                        |  |                                 |
| Deferred Inflows - Pension                    | 6                           | 78  | -                         | 42                     | 49   | -                               |
| Deferred Inflows - OPEB                       | 34                          | 416   | -                         | 218                    | 256  | -                               |
| Deferred Inflows - Lease                      | -                           | 1,188                                       | -                         | -                      | -  | -                               |
| Total Deferred Inflows                        | 40                          | 1,682                                       | -                         | 260                    | 305  | -                               |
| <b>NET POSITION</b>                           |                             |   |                           |                        |  |                                 |
| Net Investment in Capital Assets              | -                           | 629   | -                         | -                      | 243  | -                               |
| Restricted for:                               |                             |   |                           |                        |  |                                 |
| Loans   | -                           | -   | 442,046                   | -                      | -  | 23,322                          |
| Unemployment and Insurance                    | -                           | -   | -                         | -                      | -  | -                               |
| Other Purposes                                | 248                         | 4,090                                       | -                         | -                      | 1  | -                               |
| Unrestricted (Deficit)                        | (305)                       | (4,654)                                     | (2)                       | (1,849)                | (13,704)   | (1)                             |
| Total Net Position                            | \$ (57)                     | \$ 65                                       | \$ 442,044                | \$ (1,849)             | \$ (13,460)  | \$ 23,321                       |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Department<br>of Cultural<br>Affairs | Education<br>Trust<br>Board | Total        |
|---|-----------------------------------|-------------------------------------|--------------------------|--------------------------------------|-----------------------------|--------------|
| <b>LIABILITIES</b>                            |                                   |                                     |                          |                                      |                             |              |
| Current Liabilities:                          |                                   |                                     |                          |                                      |                             |              |
| Accounts Payable                              | \$ 83                             | \$ 896                              | \$ 588                   | \$ -                                 | \$ 394                      | \$ 5,263     |
| Accrued Liabilities                           | 5,501                             | 469                                 | 64                       | -                                    | 10                          | 6,125        |
| Unearned Revenue                              | 34,308                            | -                                   | 1,576                    | -                                    | -                           | 36,746       |
| Due to Other Funds                            | 499                               | -                                   | -                        | -                                    | -                           | 506          |
| Funds Held for Others                         | 417                               | 12                                  | 82                       | -                                    | -                           | 514          |
| Other Liabilities                             | 1                                 | 269                                 | 1                        | -                                    | -                           | 2,793        |
| Bonds Payable - Current Portion               | -                                 | 1,171                               | 1                        | -                                    | -                           | 1,172        |
| Other Long-Term Liabilities - Current Portion | -                                 | 1,168                               | 149                      | -                                    | 75                          | 40,790       |
| Total Current Liabilities                     | 40,809                            | 3,985                               | 2,461                    | -                                    | 479                         | 93,909       |
| Noncurrent Liabilities:                       |                                   |                                     |                          |                                      |                             |              |
| Bonds Payable                                 | -                                 | 2,430                               | -                        | -                                    | -                           | 2,430        |
| Net Pension Liability                         | -                                 | 41,406                              | 6,113                    | -                                    | 1,033                       | 56,721       |
| Net OPEB Liability                            | -                                 | 4,131                               | 611                      | -                                    | 104                         | 5,645        |
| Other Long-Term Liabilities                   | -                                 | 1,416                               | 99                       | -                                    | 135                         | 106,264      |
| Total Noncurrent Liabilities                  | -                                 | 49,383                              | 6,823                    | -                                    | 1,272                       | 171,060      |
| Total Liabilities                             | 40,809                            | 53,368                              | 9,284                    | -                                    | 1,751                       | 264,969      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                                   |                                     |                          |                                      |                             |              |
| Deferred Inflows - Pension                    | -                                 | 905                                 | 134                      | -                                    | 23                          | 1,237        |
| Deferred Inflows - OPEB                       | -                                 | 4,778                               | 707                      | -                                    | 119                         | 6,528        |
| Deferred Inflows - Lease                      | -                                 | -                                   | 61,250                   | -                                    | -                           | 62,438       |
| Total Deferred Inflows                        | -                                 | 5,683                               | 62,091                   | -                                    | 142                         | 70,203       |
| <b>NET POSITION</b>                           |                                   |                                     |                          |                                      |                             |              |
| Net Investment in Capital Assets              | -                                 | 14,996                              | 38,028                   | 68                                   | (15)                        | 53,949       |
| Restricted for:                               |                                   |                                     |                          |                                      |                             |              |
| Loans   | -                                 | -                                   | -                        | -                                    | -                           | 465,368      |
| Unemployment and Insurance                    | 585,668                           | -                                   | -                        | -                                    | -                           | 585,668      |
| Other Purposes                                | -                                 | 1,006                               | 458                      | -                                    | 10,941                      | 16,744       |
| Unrestricted (Deficit)                        | (12)                              | (36,757)                            | (6,175)                  | 725                                  | (1,083)                     | (63,817)     |
| Total Net Position                            | \$ 585,656                        | \$ (20,755)                         | \$ 32,311                | \$ 793                               | \$ 9,843                    | \$ 1,057,912 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|--|-----------------------------|---|---------------------------|------------------------|--|---------------------------------|
| <b>OPERATING REVENUES</b>                        |                             |   |                           |                        |  |                                 |
| Charges for Services                             | \$ 9,211                    | \$ 4,031                                    | \$ -                      | \$ 4,485               | \$ 477,635   | \$ -                            |
| Unemployment Insurance                           | -                           | -   | -                         | -                      | -  | -                               |
| Federal Revenue                                  | -                           | -   | 13,916                    | 4,743                  | -  | -                               |
| Loan and Other Income                            | -                           | 75  | 8,803                     | -                      | 4,915  | 582                             |
| Other Operating Revenues                         | -                           | 20  | -                         | 300                    | 2,428  | -                               |
| Total Operating Revenues                         | 9,211                       | 4,126                                       | 22,719                    | 9,528                  | 484,978  | 582                             |
| <b>OPERATING EXPENSES</b>                        |                             |   |                           |                        |  |                                 |
| Benefits, Claims, and Premiums                   | -                           | -   | -                         | -                      | 20,715   | -                               |
| General and Administrative Expenses              | 152                         | 3,251                                       | 1,384                     | 8,816                  | 509,820  | -                               |
| Depreciation Expense                             | 2                           | 114   | -                         | 1                      | 6  | -                               |
| Other Operating Expenses                         | 9,092                       | 1,034                                       | -                         | 35                     | -  | -                               |
| Total Operating Expenses                         | 9,246                       | 4,399                                       | 1,384                     | 8,852                  | 530,541  | -                               |
| <b>OPERATING INCOME (LOSS)</b>                   | (35)                        | (273)                                       | 21,335                    | 676                    | (45,563)   | 582                             |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                             |   |                           |                        |  |                                 |
| Interest and Investment Income                   | -                           | 10  | -                         | -                      | 4,941  | -                               |
| Interest Expense                                 | -                           | -   | -                         | -                      | -  | -                               |
| Gain/(Loss) on Sale of Capital Assets            | 9                           | -   | -                         | -                      | -  | -                               |
| Other Revenue (Expenses)                         | 47                          | -   | 3,957                     | -                      | -  | -                               |
| Total Nonoperating Revenues<br>(Expenses)        | 56                          | 10  | 3,957                     | -                      | 4,941  | -                               |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>            | 21                          | (263)                                       | 25,292                    | 676                    | (40,622)   | 582                             |
| <b>TRANSFERS</b>                                 |                             |   |                           |                        |  |                                 |
| Transfers In                                     | -                           | -   | -                         | -                      | 1,649  | -                               |
| Transfers Out                                    | -                           | -   | (1,113)                   | -                      | (1,650)  | -                               |
| Total Transfers                                  | -                           | -   | (1,113)                   | -                      | (1)  | -                               |
| <b>CHANGE IN NET POSITION</b>                    | 21                          | (263)                                       | 24,179                    | 676                    | (40,623)   | 582                             |
| Net Position - Beginning, As Originally Reported | (78)                        | 328   | 417,865                   | (2,525)                | 27,163   | 22,739                          |
| Restatement (See Note 9)                         | -                           | -   | -                         | -                      | -  | -                               |
| Net Position - Beginning, as Restated            | (78)                        | 328   | 417,865                   | (2,525)                | 27,163   | 22,739                          |
| <b>NET POSITION - ENDING</b>                     | <u>\$ (57)</u>              | <u>\$ 65</u>                                | <u>\$ 442,044</u>         | <u>\$ (1,849)</u>      | <u>\$ (13,460)</u>                                     | <u>\$ 23,321</u>                |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Department<br>of Cultural<br>Affairs | Education<br>Trust<br>Board | Total        |
|--|-----------------------------------|-------------------------------------|--------------------------|--------------------------------------|-----------------------------|--------------|
| <b>OPERATING REVENUES</b>                        |                                   |                                     |                          |                                      |                             |              |
| Charges for Services                             | \$ 1,139                          | \$ 28,936                           | \$ 13,899                | \$ 27                                | \$ 2,594                    | \$ 541,957   |
| Unemployment Insurance                           | 178,524                           | -                                   | -                        | -                                    | -                           | 178,524      |
| Federal Revenue                                  | 350                               | 1,958                               | -                        | -                                    | -                           | 20,967       |
| Loan and Other Income                            | 11,190                            | 551                                 | 4                        | -                                    | 604                         | 26,724       |
| Other Operating Revenues                         | 1,023                             | 167                                 | 36                       | -                                    | -                           | 3,974        |
| Total Operating Revenues                         | 192,226                           | 31,612                              | 13,939                   | 27                                   | 3,198                       | 772,146      |
| <b>OPERATING EXPENSES</b>                        |                                   |                                     |                          |                                      |                             |              |
| Benefits, Claims, and Premiums                   | 223,018                           | -                                   | -                        | -                                    | -                           | 243,733      |
| General and Administrative Expenses              | -                                 | 34,339                              | 15,457                   | 128                                  | 3,158                       | 576,505      |
| Depreciation Expense                             | -                                 | 2,379                               | 2,069                    | 87                                   | 40                          | 4,698        |
| Other Operating Expenses                         | -                                 | 18                                  | 9                        | -                                    | 6                           | 10,194       |
| Total Operating Expenses                         | 223,018                           | 36,736                              | 17,535                   | 215                                  | 3,204                       | 835,130      |
| <b>OPERATING INCOME (LOSS)</b>                   | (30,792)                          | (5,124)                             | (3,596)                  | (188)                                | (6)                         | (62,984)     |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                                   |                                     |                          |                                      |                             |              |
| Interest and Investment Income                   | -                                 | -                                   | 601                      | (110)                                | -                           | 5,442        |
| Interest Expense                                 | -                                 | (145)                               | -                        | -                                    | (6)                         | (151)        |
| Gain/(Loss) on Sale of Capital Assets            | -                                 | -                                   | -                        | 75                                   | -                           | 84           |
| Other Revenue (Expenses)                         | -                                 | -                                   | -                        | -                                    | -                           | 4,004        |
| Total Nonoperating Revenues<br>(Expenses)        | -                                 | (145)                               | 601                      | (35)                                 | (6)                         | 9,379        |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>            | (30,792)                          | (5,269)                             | (2,995)                  | (223)                                | (12)                        | (53,605)     |
| <b>TRANSFERS</b>                                 |                                   |                                     |                          |                                      |                             |              |
| Transfers In                                     | 432                               | 37,247                              | 2,682                    | -                                    | -                           | 42,010       |
| Transfers Out                                    | -                                 | (25,950)                            | -                        | -                                    | -                           | (28,713)     |
| Total Transfers                                  | 432                               | 11,297                              | 2,682                    | -                                    | -                           | 13,297       |
| <b>CHANGE IN NET POSITION</b>                    | (30,360)                          | 6,028                               | (313)                    | (223)                                | (12)                        | (40,308)     |
| Net Position - Beginning, As Originally Reported | 554,247                           | (26,783)                            | 32,624                   | 1,016                                | 9,855                       | 1,036,451    |
| Restatement (See Note 9)                         | 61,769                            | -                                   | -                        | -                                    | -                           | 61,769       |
| Net Position - Beginning, as Restated            | 616,016                           | (26,783)                            | 32,624                   | 1,016                                | 9,855                       | 1,098,220    |
| <b>NET POSITION - ENDING</b>                     | \$ 585,656                        | \$ (20,755)                         | \$ 32,311                | \$ 793                               | \$ 9,843                    | \$ 1,057,912 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|--|-----------------------------|---|---------------------------|------------------------|--|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                             |   |                           |                        |  |                                 |
| Cash Received from:  |                             |   |                           |                        |  |                                 |
| Fees for Service   | \$ 9,203                    | \$ 3,051                                    | \$ -                      | \$ -                   | \$ 492,480   | \$ -                            |
| Sale of Products   | -                           | -   | -                         | 9,535                  | -  | -                               |
| Gifts, Grants, and Contracts   | -                           | -   | 18,709                    | -                      | -  | -                               |
| Loan and Note Repayments   | -                           | -   | 15,465                    | -                      | -  | -                               |
| Unemployment Insurance   | -                           | -   | -                         | -                      | -  | -                               |
| Other Sources  | -                           | 335   | 8,984                     | -                      | 4,928  | 1,365                           |
| Cash Payments to or for:   |                             |   |                           |                        |  |                                 |
| Suppliers  | (8,525)                     | (1,207)                                     | -                         | (6,104)                | (26,390)   | -                               |
| Employees  | (139)                       | (1,816)                                     | -                         | (1,020)                | -  | -                               |
| Unemployment Benefits  | -                           | -   | -                         | -                      | -  | -                               |
| Loans, Loan Losses, Insurance Losses                                 | -                           | -   | -                         | -                      | (479,378)  | -                               |
| Other Payments   | -                           | (264)                                       | (25,809)                  | (1)                    | -  | -                               |
| Net Cash Provided (Used) by Operating Activities                     | 539                         | 99  | 17,349                    | 2,410                  | (8,360)  | 1,365                           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                             |   |                           |                        |  |                                 |
| Transfers In   | -                           | -   | -                         | -                      | 1,649  | -                               |
| Transfers Out  | -                           | -   | (1,113)                   | -                      | (1,650)  | -                               |
| Other Noncapital Financing   | 56                          | -   | 3,986                     | -                      | 15   | -                               |
| Net Cash Provided by Noncapital Financing Activities                 | 56                          | -   | 2,873                     | -                      | 14   | -                               |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                             |   |                           |                        |  |                                 |
| Acquisition of Capital Assets  | -                           | (40)  | -                         | -                      | -  | -                               |
| Capital Debt Service Payments - Principal                            | -                           | (3)   | -                         | -                      | (3)  | -                               |
| Capital Debt Service Payments - Interest                             | -                           | -   | -                         | -                      | -  | -                               |
| Proceeds from Sale of Capital Assets                                 | -                           | -   | -                         | -                      | -  | -                               |
| Other Capital Financing  | -                           | -   | -                         | -                      | -  | -                               |
| Net Cash Provided (Used) by Capital and Related Financing Activities | -                           | (43)  | -                         | -                      | (3)  | -                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                             |   |                           |                        |  |                                 |
| Receipts of Interest and Dividends of Investments                    | -                           | -   | -                         | -                      | 7,910  | -                               |
| <b>NET INCREASE (DECREASE) IN CASH</b>                               | 595                         | 56  | 20,222                    | 2,410                  | (439)  | 1,365                           |
| Cash and Cash Equivalents - Beginning of Year                        | 208                         | 2,143                                       | 202,401                   | 462                    | 1,698  | 12,229                          |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                       | <u>\$ 803</u>               | <u>\$ 2,199</u>                             | <u>\$ 222,623</u>         | <u>\$ 2,872</u>        | <u>\$ 1,259</u>  | <u>\$ 13,594</u>                |
| <b>CASH AND CASH EQUIVALENTS</b>                                     |                             |   |                           |                        |  |                                 |
| Unrestricted   | \$ -                        | \$ -  | \$ -                      | \$ -                   | \$ 685   | \$ -                            |
| Investment in State Gen. Fund Investment Pool                        | 803                         | 2,199                                       | 222,623                   | 2,872                  | 574  | 13,594                          |
| Total Cash and Cash Equivalents                                      | <u>\$ 803</u>               | <u>\$ 2,199</u>                             | <u>\$ 222,623</u>         | <u>\$ 2,872</u>        | <u>\$ 1,259</u>  | <u>\$ 13,594</u>                |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Dept. of<br>Cultural<br>Affairs | Education<br>Trust<br>Board | Total             |
|--|-----------------------------------|-------------------------------------|--------------------------|---------------------------------|-----------------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                                   |                                     |                          |                                 |                             |                   |
| Cash Received from:  |                                   |                                     |                          |                                 |                             |                   |
| Fees for Service   | \$ -                              | \$ 26,537                           | \$ -                     | \$ -                            | \$ -                        | \$ 531,271        |
| Sale of Products   | -                                 | -                                   | 13,923                   | 27                              | -                           | 23,485            |
| Gifts, Grants, and Contracts   | 350                               | 1,463                               | -                        | -                               | 2,591                       | 23,113            |
| Loan and Note Repayments   | -                                 | -                                   | -                        | -                               | -                           | 15,465            |
| Unemployment Insurance   | 214,328                           | -                                   | -                        | -                               | -                           | 214,328           |
| Other Sources  | 11,190                            | 2,068                               | 2,231                    | -                               | 604                         | 31,705            |
| Cash Payments to or for:   |                                   |                                     |                          |                                 |                             |                   |
| Suppliers  | -                                 | -                                   | (16,595)                 | (191)                           | (2,322)                     | (61,334)          |
| Employees  | -                                 | (22,118)                            | -                        | -                               | (477)                       | (25,570)          |
| Unemployment Benefits  | (220,414)                         | -                                   | -                        | -                               | -                           | (220,414)         |
| Loans, Loan Losses, Insurance Losses                                 | -                                 | -                                   | -                        | -                               | -                           | (479,378)         |
| Other Payments   | -                                 | (15,688)                            | -                        | -                               | (5)                         | (41,767)          |
| Net Cash Provided (Used) by Operating Activities                     | 5,454                             | (7,738)                             | (441)                    | (164)                           | 391                         | 10,904            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                                   |                                     |                          |                                 |                             |                   |
| Transfers In   | 432                               | 37,247                              | 2,682                    | -                               | -                           | 42,010            |
| Transfers Out  | -                                 | (25,950)                            | -                        | -                               | -                           | (28,713)          |
| Other Noncapital Financing   | -                                 | -                                   | -                        | -                               | -                           | 4,057             |
| Net Cash Provided by Noncapital Financing Activities                 | 432                               | 11,297                              | 2,682                    | -                               | -                           | 17,354            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                                   |                                     |                          |                                 |                             |                   |
| Acquisition of Capital Assets  | -                                 | (966)                               | (2,841)                  | -                               | -                           | (3,847)           |
| Capital Debt Service Payments - Principal                            | -                                 | (1,140)                             | -                        | -                               | -                           | (1,146)           |
| Capital Debt Service Payments - Interest                             | -                                 | (181)                               | -                        | -                               | (44)                        | (225)             |
| Proceeds from Sale of Capital Assets                                 | -                                 | -                                   | -                        | 75                              | -                           | 75                |
| Other Capital Financing  | -                                 | (148)                               | -                        | -                               | -                           | (148)             |
| Net Cash Provided (Used) by Capital and Related Financing Activities | -                                 | (2,435)                             | (2,841)                  | 75                              | (44)                        | (5,291)           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                                   |                                     |                          |                                 |                             |                   |
| Receipts of Interest and Dividends of Investments                    | -                                 | -                                   | 593                      | -                               | (261)                       | 8,242             |
| <b>NET INCREASE (DECREASE) IN CASH</b>                               | 5,886                             | 1,124                               | (7)                      | (89)                            | 86                          | 31,209            |
| Cash and Cash Equivalents - Beginning of Year                        | 407,949                           | 838                                 | 3,225                    | 813                             | 554                         | 632,520           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                       | <u>\$ 413,835</u>                 | <u>\$ 1,962</u>                     | <u>\$ 3,218</u>          | <u>\$ 724</u>                   | <u>\$ 640</u>               | <u>\$ 663,729</u> |
| <b>CASH AND CASH EQUIVALENTS</b>                                     |                                   |                                     |                          |                                 |                             |                   |
| Unrestricted   | \$ 415,573                        | \$ 209                              | \$ 1,659                 | \$ -                            | \$ -                        | \$ 418,126        |
| Investment in State Gen. Fund Investment Pool                        | (1,738)                           | 1,753                               | 1,559                    | 724                             | 640                         | 245,603           |
| Total Cash and Cash Equivalents                                      | <u>\$ 413,835</u>                 | <u>\$ 1,962</u>                     | <u>\$ 3,218</u>          | <u>\$ 724</u>                   | <u>\$ 640</u>               | <u>\$ 663,729</u> |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|--|-----------------------------|---|---------------------------|------------------------|--|---------------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |                             |   |                           |                        |  |                                 |
| Operating Income (Loss)  | \$ (35)                     | \$ (273)                                    | \$ 21,335                 | \$ 676                 | \$ (45,563)  | \$ 582                          |
| Adjustments to Reconcile Operating Income<br>(Loss) to Net Cash Provided (Used)<br>by Operating Activities:  |                             |   |                           |                        |  |                                 |
| Depreciation   | 2                           | 114   | -                         | 1                      | 6  | -                               |
| Change in Net Pension Liability  | 15                          | 221   | -                         | (313)                  | (73)   | -                               |
| Change in Net OPEB Liability   | (10)                        | (120)                                       | -                         | (114)                  | (107)  | -                               |
| Change in Deferred Outflows of Resources   | 4                           | 50  | -                         | 113                    | 75   | -                               |
| Change in Deferred Inflows of Resources  | (2)                         | (21)  | -                         | (67)                   | (47)   | -                               |
| Bad Debt Expense   | -                           | -   | -                         | -                      | -  | -                               |
| Net Changes in Assets and Liabilities Related<br>to Operating Activities:                                    |                             |   |                           |                        |  |                                 |
| Receivables - Due from Other Funds   | (7)                         | (748)                                       | (3,986)                   | (452)                  | 12,500   | 783                             |
| Inventories  | -                           | 734   | -                         | 17                     | -  | -                               |
| Prepaid Items and Other Assets   | -                           | -   | -                         | (22)                   | 20,714   | -                               |
| Accounts Payable and Accrued Liabilities - Due<br>to Other Funds   | 572                         | 142   | -                         | 2,048                  | 4,202  | -                               |
| Unearned Revenue   | -                           | -   | -                         | 523                    | (67)   | -                               |
| Net Cash Provided (Used) by Operating<br>Activities  | <u>\$ 539</u>               | <u>\$ 99</u>                                | <u>\$ 17,349</u>          | <u>\$ 2,410</u>        | <u>\$ (8,360)</u>                                      | <u>\$ 1,365</u>                 |



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Dept. of<br>Cultural<br>Affairs | Education<br>Trust<br>Board | Total            |
|--|-----------------------------------|-------------------------------------|--------------------------|---------------------------------|-----------------------------|------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |                                   |                                     |                          |                                 |                             |                  |
| Operating Income (Loss)  | \$ (30,792)                       | \$ (5,124)                          | \$ (3,596)               | \$ (188)                        | \$ (6)                      | \$ (62,984)      |
| Adjustments to Reconcile Operating Income<br>(Loss) to Net Cash Provided (Used)<br>by Operating Activities:  |                                   |                                     |                          |                                 |                             |                  |
| Depreciation   | -                                 | 2,379                               | 2,069                    | 87                              | 40                          | 4,698            |
| Change in Net Pension Liability  | -                                 | (1,474)                             | 207                      | -                               | 294                         | (1,123)          |
| Change in Net OPEB Liability   | -                                 | (2,037)                             | (236)                    | -                               | (3)                         | (2,627)          |
| Change in Deferred Outflows of Resources   | -                                 | 1,419                               | 117                      | -                               | (35)                        | 1,743            |
| Change in Deferred Inflows of Resources  | -                                 | (925)                               | (67)                     | -                               | 28                          | (1,101)          |
| Bad Debt Expense   | -                                 | 1,333                               | -                        | -                               | -                           | 1,333            |
| Net Changes in Assets and Liabilities Related<br>to Operating Activities:                                    |                                   |                                     |                          |                                 |                             |                  |
| Receivables - Due from Other Funds   | 2,605                             | (2,591)                             | 2,214                    | -                               | (3)                         | 10,315           |
| Inventories  | -                                 | (5)                                 | -                        | -                               | -                           | 746              |
| Prepaid Items and Other Assets   | -                                 | -                                   | -                        | -                               | -                           | 20,692           |
| Accounts Payable and Accrued Liabilities - Due<br>to Other Funds   | 33,641                            | (713)                               | 174                      | (63)                            | 76                          | 40,079           |
| Unearned Revenue   | -                                 | -                                   | (1,323)                  | -                               | -                           | (867)            |
| Net Cash Provided (Used) by Operating<br>Activities  | <u>\$ 5,454</u>                   | <u>\$ (7,738)</u>                   | <u>\$ (441)</u>          | <u>\$ (164)</u>                 | <u>\$ 391</u>               | <u>\$ 10,904</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, 2024**  
**(IN THOUSANDS)**

|                                       | Fleet<br>Operations | Risk<br>Management | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations | Total        |
|---------------------------------------|---------------------|--------------------|-------------------------|---------------------------|---------------------------|--------------|--------------|
| <b>ASSETS</b>                         |                     |                    |                         |                           |                           |              |              |
| Current Assets:                       |                     |                    |                         |                           |                           |              |              |
| Investment in the State General Fund  |                     |                    |                         |                           |                           |              |              |
| Investment Pool                       | \$ 3,806            | \$ 112,073         | \$ 4,816                | \$ 16,204                 | \$ 50,220                 | \$ -         | \$ 187,119   |
| Due from Other Funds                  | -                   | -                  | -                       | -                         | 19,292                    | (19,292)     | -            |
| Receivables, Net                      | 35                  | 31,604             | 176                     | 6,771                     | 1                         | -            | 38,587       |
| Total Current Assets                  | 3,841               | 143,677            | 4,992                   | 22,975                    | 69,513                    | (19,292)     | 225,706      |
| Noncurrent Assets:                    |                     |                    |                         |                           |                           |              |              |
| Nondepreciable Capital Assets         | -                   | -                  | -                       | 23,635                    | 1                         | -            | 23,636       |
| Capital Assets, Net                   | 24,328              | 342                | 912                     | 54,325                    | 12,326                    | -            | 92,233       |
| Total Noncurrent Assets               | 24,328              | 342                | 912                     | 77,960                    | 12,327                    | -            | 115,869      |
| Total Assets                          | 28,169              | 144,019            | 5,904                   | 100,935                   | 81,840                    | (19,292)     | 341,575      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                     |                    |                         |                           |                           |              |              |
| Deferred Outflows - OPEB              | 107                 | 304                | 456                     | 757                       | 231                       | -            | 1,855        |
| Deferred Outflows - Pension           | 542                 | 1,522              | 2,278                   | 3,974                     | 983                       | -            | 9,299        |
| Total Deferred Outflows               | 649                 | 1,826              | 2,734                   | 4,731                     | 1,214                     | -            | 11,154       |
| <b>LIABILITIES</b>                    |                     |                    |                         |                           |                           |              |              |
| Current Liabilities:                  |                     |                    |                         |                           |                           |              |              |
| Accounts Payable                      | 598                 | 44,328             | 327                     | 1,487                     | 2,011                     | -            | 48,751       |
| Accrued Liabilities                   | 46                  | 102                | 101                     | 302                       | 5                         | -            | 556          |
| Unearned Revenue                      | -                   | 69                 | 1                       | -                         | -                         | -            | 70           |
| Due to Other Funds                    | -                   | -                  | -                       | 15,659                    | 3,633                     | (19,292)     | -            |
| Funds Held for Others                 | 1                   | (2)                | -                       | -                         | -                         | -            | (1)          |
| Other Liabilities                     | 1                   | 2                  | -                       | -                         | -                         | -            | 3            |
| Other Liabilities                     | 3,741               | 236,884            | 409                     | 1,602                     | 16                        | -            | 242,652      |
| Total Current Liabilities             | 4,387               | 281,383            | 838                     | 19,050                    | 5,665                     | (19,292)     | 292,031      |
| Noncurrent Liabilities:               |                     |                    |                         |                           |                           |              |              |
| Net Pension Liability                 | 3,449               | 9,682              | 14,495                  | 25,291                    | 6,256                     | -            | 59,173       |
| Net OPEB Liability                    | 340                 | 968                | 1,455                   | 2,414                     | 736                       | -            | 5,913        |
| Other Liabilities                     | 2,494               | 241,639            | 413                     | 6,323                     | -                         | -            | 250,869      |
| Total Noncurrent Liabilities          | 6,283               | 252,289            | 16,363                  | 34,028                    | 6,992                     | -            | 315,955      |
| Total Liabilities                     | 10,670              | 533,672            | 17,201                  | 53,078                    | 12,657                    | (19,292)     | 607,986      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                    |                         |                           |                           |              |              |
| Deferred Inflows - Pension            | 76                  | 211                | 317                     | 553                       | 136                       | -            | 1,293        |
| Deferred Inflows - OPEB               | 394                 | 1,120              | 1,683                   | 2,791                     | 851                       | -            | 6,839        |
| Total Deferred Inflows                | 470                 | 1,331              | 2,000                   | 3,344                     | 987                       | -            | 8,132        |
| <b>NET POSITION</b>                   |                     |                    |                         |                           |                           |              |              |
| Net Investment in Capital Assets      | 18,263              | (2)                | 458                     | 70,944                    | 12,322                    | -            | 101,985      |
| Restricted for Other Purposes         | -                   | -                  | -                       | 4,613                     | 63,850                    | -            | 68,463       |
| Unrestricted (Deficit)                | (585)               | (389,156)          | (11,021)                | (26,313)                  | (6,762)                   | -            | (433,837)    |
| Total Net Position                    | \$ 17,678           | \$ (389,158)       | \$ (10,563)             | \$ 49,244                 | \$ 69,410                 | \$ -         | \$ (263,389) |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Fleet<br>Operations | Risk<br>Management  | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations | Total               |
|---|---------------------|---------------------|-------------------------|---------------------------|---------------------------|--------------|---------------------|
| <b>OPERATING REVENUES</b>               |                     |                     |                         |                           |                           |              |                     |
| Charges for Services                    | \$ 9,160            | \$ 515,645          | \$ 2,981                | \$ 54,504                 | \$ 9,090                  | \$ -         | \$ 591,380          |
| Federal Revenues                        | -                   | 55,006              | -                       | -                         | -                         | -            | 55,006              |
| Total Operating Revenues                | 9,160               | 570,651             | 2,981                   | 54,504                    | 9,090                     | -            | 646,386             |
| <b>OPERATING EXPENSES</b>               |                     |                     |                         |                           |                           |              |                     |
| General and Administrative Expenses     | 5,553               | 837,344             | 7,001                   | 43,491                    | 6,005                     | -            | 899,394             |
| Depreciation Expense                    | 7,104               | 47                  | 377                     | 18,481                    | 3,636                     | -            | 29,645              |
| Other Operating Expenses                | 44                  | 7,899               | 290                     | (1,336)                   | 980                       | -            | 7,877               |
| Total Operating Expenses                | 12,701              | 845,290             | 7,668                   | 60,636                    | 10,621                    | -            | 936,916             |
| <b>OPERATING LOSS</b>                   | (3,541)             | (274,639)           | (4,687)                 | (6,132)                   | (1,531)                   | -            | (290,530)           |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                     |                     |                         |                           |                           |              |                     |
| Interest and Investment Income          | (2)                 | 4,190               | -                       | -                         | 1,348                     | -            | 5,536               |
| Interest Expense                        | (28)                | (1)                 | (9)                     | (146)                     | -                         | -            | (184)               |
| Gain (Loss) on Sale of Capital Assets   | 103                 | -                   | 427                     | (7)                       | (70)                      | -            | 453                 |
| Nonoperating Revenues (Expenses)        | 11                  | 12,428              | 42                      | 49                        | -                         | -            | 12,530              |
| Total Nonoperating Revenues (Expenses)  | 84                  | 16,617              | 460                     | (104)                     | 1,278                     | -            | 18,335              |
| <b>LOSS BEFORE TRANSFERS</b>            | (3,457)             | (258,022)           | (4,227)                 | (6,236)                   | (253)                     | -            | (272,195)           |
| <b>TRANSFERS</b>                        |                     |                     |                         |                           |                           |              |                     |
| Transfers In                            | 12,112              | 96,088              | 5,168                   | 27,698                    | 20,198                    | (35,194)     | 126,070             |
| Transfers Out                           | (436)               | (14,507)            | (62)                    | (16,915)                  | (14,014)                  | 35,194       | (10,740)            |
| Total Transfers                         | 11,676              | 81,581              | 5,106                   | 10,783                    | 6,184                     | -            | 115,330             |
| <b>CHANGE IN NET POSITION</b>           | 8,219               | (176,441)           | 879                     | 4,547                     | 5,931                     | -            | (156,865)           |
| Net Position - Beginning                | 9,459               | (212,717)           | (11,442)                | 44,697                    | 63,479                    | -            | (106,524)           |
| <b>NET POSITION - ENDING</b>            | <u>\$ 17,678</u>    | <u>\$ (389,158)</u> | <u>\$ (10,563)</u>      | <u>\$ 49,244</u>          | <u>\$ 69,410</u>          | <u>\$ -</u>  | <u>\$ (263,389)</u> |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Fleet<br>Operations | Risk<br>Management | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations | Total             |
|---|---------------------|--------------------|-------------------------|---------------------------|---------------------------|--------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                     |                    |                         |                           |                           |              |                   |
| Cash Received from:   |                     |                    |                         |                           |                           |              |                   |
| Fees for Service  | \$ 9,131            | \$ 506,473         | \$ 2,830                | \$ 53,171                 | \$ 9,124                  | \$ -         | \$ 580,729        |
| Other Sources   | -                   | 59,196             | 40                      | -                         | 1,348                     | -            | 60,584            |
| Cash Payments to or for:  |                     |                    |                         |                           |                           |              |                   |
| Suppliers   | (3,108)             | (64,862)           | (2,431)                 | (27,287)                  | (5,809)                   | -            | (103,497)         |
| Employees   | (2,509)             | (4,597)            | (4,478)                 | (13,451)                  | (2,060)                   | -            | (27,095)          |
| Claims  | -                   | (532,701)          | -                       | -                         | -                         | -            | (532,701)         |
| Net Cash Provided (Used) by Operating Activities                        | 3,514               | (36,491)           | (4,039)                 | 12,433                    | 2,603                     | -            | (21,980)          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING<br/>ACTIVITIES</b>              |                     |                    |                         |                           |                           |              |                   |
| Transfers In  | 557                 | 96,088             | 5,161                   | 1,257                     | 20,198                    | (25,710)     | 97,551            |
| Transfers Out   | (427)               | (14,507)           | (62)                    | (16,915)                  | (4,539)                   | 25,710       | (10,740)          |
| Other Noncapital Financing  | 9                   | 4,189              | 50                      | -                         | -                         | -            | 4,248             |
| Net Cash Provided (Used) by Noncapital<br>Financing Activities          | 139                 | 85,770             | 5,149                   | (15,658)                  | 15,659                    | -            | 91,059            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>     |                     |                    |                         |                           |                           |              |                   |
| Proceeds from Sale of Capital Assets                                    | 124                 | -                  | 428                     | -                         | -                         | -            | 552               |
| Capital Debt Service Payments - Principal                               | (3,200)             | (45)               | (205)                   | (1,977)                   | -                         | -            | (5,427)           |
| Capital Debt Service Payments - Interest                                | (28)                | (1)                | (9)                     | (146)                     | -                         | -            | (184)             |
| Other Capital Financing   | -                   | -                  | -                       | 1,307                     | -                         | -            | 1,307             |
| Acquisition of Capital Assets   | (2,276)             | -                  | (163)                   | (2,839)                   | (10,452)                  | -            | (15,730)          |
| Net Cash Provided (Used) by Capital and<br>Related Financing Activities | (5,380)             | (46)               | 51                      | (3,655)                   | (10,452)                  | -            | (19,482)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |                     |                    |                         |                           |                           |              |                   |
| Receipts of Interest and Dividends of Investments                       | -                   | 12,332             | -                       | -                         | -                         | -            | 12,332            |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                  | (1,727)             | 61,565             | 1,161                   | (6,880)                   | 7,810                     | -            | 61,929            |
| Cash and Cash Equivalents - Beginning                                   | 5,533               | 50,508             | 3,655                   | 23,084                    | 42,410                    | -            | 125,190           |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>                               | <u>\$ 3,806</u>     | <u>\$ 112,073</u>  | <u>\$ 4,816</u>         | <u>\$ 16,204</u>          | <u>\$ 50,220</u>          | <u>\$ -</u>  | <u>\$ 187,119</u> |
| <b>CASH AND CASH EQUIVALENTS</b>  |                     |                    |                         |                           |                           |              |                   |
| Investment in the State General Fund Investment Pool                    | <u>\$ 3,806</u>     | <u>\$ 112,073</u>  | <u>\$ 4,816</u>         | <u>\$ 16,204</u>          | <u>\$ 50,220</u>          | <u>\$ -</u>  | <u>\$ 187,119</u> |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Fleet<br>Operations | Risk<br>Management | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations      | Total              |
|---|---------------------|--------------------|-------------------------|---------------------------|---------------------------|-------------------|--------------------|
| <b>RECONCILIATION OF OPERATING LOSS<br/>TO NET CASH PROVIDED (USED) BY<br/>OPERATING ACTIVITIES</b> |                     |                    |                         |                           |                           |                   |                    |
| Operating Loss  | \$ (3,541)          | \$ (274,639)       | \$ (4,687)              | \$ (6,132)                | \$ (1,531)                | \$ -              | \$ (290,530)       |
| Adjustments to Reconcile Operating Loss to Net Cash<br>Provided (Used) by Operating Activities:     |                     |                    |                         |                           |                           |                   |                    |
| Depreciation  | 7,104               | 47                 | 386                     | 18,480                    | 3,633                     | -                 | 29,650             |
| Change in Net Pension Liability   | (81)                | 25                 | 706                     | (441)                     | 926                       | -                 | 1,135              |
| Change in Net OPEB Liability  | (172)               | (418)              | (525)                   | (1,197)                   | (40)                      | -                 | (2,352)            |
| Change in Deferred Outflows of Resources  | 112                 | 250                | 230                     | 775                       | (65)                      | -                 | 1,302              |
| Change in Deferred Inflows of Resources   | (79)                | (154)              | (121)                   | (538)                     | 159                       | -                 | (733)              |
| Net Changes in Assets and Liabilities Related<br>to Operating Activities:                           |                     |                    |                         |                           |                           |                   |                    |
| Receivables - Due from Other Funds  | (31)                | (9,174)            | (153)                   | (1,389)                   | (2,484)                   | -                 | (13,231)           |
| Insurance Claims Payable  | -                   | 242,071            | -                       | -                         | -                         | -                 | 242,071            |
| Accounts Payable and Accrued Liabilities - Due<br>to Other Funds                                    | 202                 | 5,501              | 125                     | 2,875                     | 2,005                     | -                 | 10,708             |
| Net Cash Provided (Used) by Operating<br>Activities   | <u>\$ 3,514</u>     | <u>\$ (36,491)</u> | <u>\$ (4,039)</u>       | <u>\$ 12,433</u>          | <u>\$ 2,603</u>           | <u>\$ -</u>       | <u>\$ (21,980)</u> |
| <b>NONCASH CAPITAL FINANCING TRANSACTIONS</b>   |                     |                    |                         |                           |                           |                   |                    |
| Transfers In of Capital Assets  | <u>\$ 11,555</u>    | <u>\$ -</u>        | <u>\$ 7</u>             | <u>\$ 26,441</u>          | <u>\$ -</u>               | <u>\$ (9,484)</u> | <u>\$ 28,519</u>   |
| Transfers Out of Capital Assets   | <u>\$ (9)</u>       | <u>\$ -</u>        | <u>\$ -</u>             | <u>\$ -</u>               | <u>\$ (9,475)</u>         | <u>\$ 9,484</u>   | <u>\$ -</u>        |
| Lease Inception   | <u>\$ 2,395</u>     | <u>\$ 298</u>      | <u>\$ 8</u>             | <u>\$ -</u>               | <u>\$ -</u>               | <u>\$ -</u>       | <u>\$ 2,701</u>    |
| Loss on Early Termination   | <u>\$ (2)</u>       | <u>\$ -</u>        | <u>\$ -</u>             | <u>\$ -</u>               | <u>\$ -</u>               | <u>\$ -</u>       | <u>\$ (2)</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, multiemployer 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 (the Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the "Deferred Compensation Act," is in accordance with IRC 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 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, 2024**  
**(IN THOUSANDS)**

|  | Public<br>Employees<br>Retirement | Educational<br>Employees<br>Retirement<br>System | New Mexico<br>Retiree Health<br>Care Authority | Deferred<br>Compensation<br>(IRC 457) Plan | UNM<br>Retiree Welfare<br>Benefit Trust | Total         |
|--|-----------------------------------|--|--|--|---|---------------|
| <b>ASSETS</b>                                    |                                   |  |  |  |   |               |
| Cash and Short-Term Investments                  | \$ 944,331                        | \$ 304,000                                       | \$ -   | \$ -                                       | \$ 72,873                               | \$ 1,321,204  |
| Investment in State General Fund Investment Pool | 50,212                            | 12,296   | 79,083   | 20   | -                                       | 141,611       |
| Investments:                                     |                                   |  |  |  |   |               |
| Investment Pools at SIC                          | -                                 | -  | 1,513,202                                      | -  | -                                       | 1,513,202     |
| International Securities                         | 1,945,885                         | -  | -  | -  | -                                       | 1,945,885     |
| Corporate Equity Securities                      | 6,965,917                         | 4,642,423  | -  | -  | -                                       | 11,608,340    |
| Corporate and Municipal Bonds                    | -                                 | 876,458  | -  | -  | -                                       | 876,458       |
| Partnerships and Other Investments               | 7,691,045                         | 11,495,184                                       | -  | -  | -                                       | 19,186,229    |
| Securities Lending Collateral Investments        | 565,986                           | -  | -  | -  | -                                       | 565,986       |
| Deferred Compensation Plan Investments           | -                                 | -  | -  | 840,689                                    | -                                       | 840,689       |
| Receivables:                                     |                                   |  |  |  |   |               |
| Brokers  | 84,534                            | 3,540  | -  | -  | -                                       | 88,074        |
| Accrued Interest and Other                       | -                                 | 11,401   | -  | -  | -                                       | 11,401        |
| Accounts Receivable                              | 24,942                            | 149,442  | 17,711   | 25   | 4                                       | 192,124       |
| Other State Agencies                             | 200                               | -  | 3,856  | -  | -                                       | 4,056         |
| Component Units                                  | -                                 | -  | 570  | -  | -                                       | 570           |
| Participant Loans                                | -                                 | -  | 86   | 10,526                                     | -                                       | 10,612        |
| Long-Term Receivables                            | -                                 | -  | 531  | -  | -                                       | 531           |
| Capital Assets, Net                              | 10,883                            | 13,632   | 1,371  | -  | -                                       | 25,886        |
| Total Assets                                     | 18,283,935                        | 17,508,376                                       | 1,616,410                                      | 851,260                                    | 72,877                                  | 38,332,858    |
| <b>LIABILITIES</b>                               |                                   |  |  |  |   |               |
| Accounts Payable                                 | 3,989                             | 4,667  | 13,920   | 1  | -                                       | 22,577        |
| Accrued Liabilities                              | 193                               | 194  | 50   | 2  | -                                       | 439           |
| Due to Brokers                                   | 100,170                           | 1,279  | -  | -  | -                                       | 101,449       |
| Unearned Revenue                                 | -                                 | -  | 275  | -  | -                                       | 275           |
| Deposits Held in Trust                           | 3,707                             | -  | -  | -  | -                                       | 3,707         |
| Other Liabilities                                | 565,978                           | 707  | (1)  | -  | 302                                     | 566,986       |
| Long-Term Liabilities                            | 2,784                             | 3,316  | 20,201   | 12   | -                                       | 26,313        |
| Total Liabilities                                | 676,821                           | 10,163   | 34,445   | 15   | 302                                     | 721,746       |
| <b>NET POSITION</b>                              |                                   |  |  |  |   |               |
| Restricted for:                                  |                                   |  |  |  |   |               |
| Pension Benefits                                 | 17,607,114                        | 17,498,213                                       | -  | -  | 72,575                                  | 35,177,902    |
| Other Employee Benefits                          | -                                 | -  | 1,581,965                                      | -  | -                                       | 1,581,965     |
| Defined Contribution                             | -                                 | -  | -  | 851,245                                    | -                                       | 851,245       |
| Net Position                                     | \$ 17,607,114                     | \$ 17,498,213                                    | \$ 1,581,965                                   | \$ 851,245                                 | \$ 72,575                               | \$ 37,611,112 |



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | Public<br>Employees<br>Retirement | Educational<br>Employees<br>Retirement<br>System | New Mexico<br>Retiree Health<br>Care Authority | Deferred<br>Compensation<br>(IRC 457) Plan | UNM<br>Retiree Welfare<br>Benefit Trust | Eliminations | Total                |
|--|-----------------------------------|--|--|--|---|--------------|----------------------|
| <b>ADDITIONS</b>                             |                                   |  |  |  |   |              |                      |
| Contributions:                               |                                   |  |  |  |   |              |                      |
| Employee Contributions                       | \$ 431,950                        | \$ 438,000                                       | \$ 174,823                                     | \$ 50,055                                  | \$ 1,946                                | \$ -         | \$ 1,096,774         |
| Employer Contributions                       | 527,102                           | 770,384  | 191,041  | -  | 1,946                                   | -            | 1,490,473            |
| Other  | 87                                | -  | 3,667  | -  | -                                       | -            | 3,754                |
| Total Contributions                          | 959,139                           | 1,208,384  | 369,531  | 50,055                                     | 3,892                                   | -            | 2,591,001            |
| Investment Income:                           |                                   |  |  |  |   |              |                      |
| Net Increase in Fair Value<br>of Investments | 303,510                           | 111,180  | 3,701  | 16,328                                     | 7,248                                   | -            | 441,967              |
| Interest and Dividends                       | 1,118,787                         | 1,890,176  | 111,613  | 76,268                                     | -                                       | -            | 3,196,844            |
| Subtotal                                     | 1,422,297                         | 2,001,356  | 115,314  | 92,596                                     | 7,248                                   | -            | 3,638,811            |
| Less: Investment Expense                     | 69,090                            | 512,825  | -  | -  | -                                       | -            | 581,915              |
| Net Investment Income                        | 1,353,207                         | 1,488,531  | 115,314  | 92,596                                     | 7,248                                   | -            | 3,056,896            |
| Other Additions:                             |                                   |  |  |  |   |              |                      |
| Other Operating Revenues                     | 6,940                             | 1,313  | 87,283   | 100  | -                                       | -            | 95,636               |
| Total Other Additions                        | 6,940                             | 1,313  | 87,283   | 100  | -                                       | -            | 95,636               |
| Total Additions                              | 2,319,286                         | 2,698,228  | 572,128  | 142,751                                    | 11,140                                  | -            | 5,743,533            |
| <b>DEDUCTIONS</b>                            |                                   |  |  |  |   |              |                      |
| Benefits and Claims                          | 1,467,032                         | 1,380,637  | -  | 68,955                                     | -                                       | -            | 2,916,624            |
| Refunds                                      | 52,845                            | 67,049   | 458  | -  | -                                       | -            | 120,352              |
| General and Administrative Expenses          | 16,484                            | 13,471   | 332,316  | 2,105                                      | 8                                       | -            | 364,384              |
| Other Operating Expenses                     | 896                               | 649  | 4,113  | -  | -                                       | -            | 5,658                |
| Total Deductions                             | 1,537,257                         | 1,461,806  | 336,887  | 71,060                                     | 8                                       | -            | 3,407,018            |
| <b>CHANGE IN NET POSITION</b>                | 782,029                           | 1,236,422  | 235,241  | 71,691                                     | 11,132                                  | -            | 2,336,515            |
| Net Position - Beginning                     | 16,825,085                        | 16,261,791                                       | 1,346,724                                      | 779,554                                    | 61,443                                  | -            | 35,274,597           |
| <b>NET POSITION - ENDING</b>                 | <u>\$ 17,607,114</u>              | <u>\$ 17,498,213</u>                             | <u>\$ 1,581,965</u>                            | <u>\$ 851,245</u>                          | <u>\$ 72,575</u>                        | <u>\$ -</u>  | <u>\$ 37,611,112</u> |

**STATE OF NEW MEXICO  
FIDUCIARY FUNDS  
EXTERNAL INVESTMENT TRUST FUNDS FINANCIAL STATEMENTS**

**State Investment Council**

The State Investment Council (the 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, 2024**  
**(IN THOUSANDS)**

|  | State<br>Investment<br>Council | State<br>Treasurer         | Total                      |
|--|--------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>  |                                |                            |                            |
| Cash and Cash Equivalents                                  | \$ 4,023                       | \$ -                       | \$ 4,023                   |
| Investment in Local Government<br>Investment Pool          | -                              | 81                         | 81                         |
| Investments  | 162,553                        | 1,727,243                  | 1,889,796                  |
| Receivables  | 5,169                          | 4,528                      | 9,697                      |
| Total Assets   | <u>171,745</u>                 | <u>1,731,852</u>           | <u>1,903,597</u>           |
| <b>LIABILITIES</b>   |                                |                            |                            |
| Other Liabilities  | 6,540                          | 36,932                     | 43,472                     |
| Total Liabilities  | <u>6,540</u>                   | <u>36,932</u>              | <u>43,472</u>              |
| <b>NET POSITION</b>  |                                |                            |                            |
| Held in Trust for External Investment<br>Pool Participants | <u>165,205</u>                 | <u>1,694,920</u>           | <u>1,860,125</u>           |
| Net Position   | <u><u>\$ 165,205</u></u>       | <u><u>\$ 1,694,920</u></u> | <u><u>\$ 1,860,125</u></u> |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**EXTERNAL INVESTMENTS TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|  | State<br>Investment<br>Council | State<br>Treasurer         | Total                      |
|--|--------------------------------|----------------------------|----------------------------|
| <b>ADDITIONS</b>                             |                                |                            |                            |
| Pool Participant Deposits                    | \$ 11,552                      | \$ 886,237                 | \$ 897,789                 |
| Investment Income (Loss):                    |                                |                            |                            |
| Net Increase in Fair Value of<br>Investments | 148,861                        | 36,418                     | 185,279                    |
| Interest and Dividends                       | <u>(125,867)</u>               | <u>734</u>                 | <u>(125,133)</u>           |
| Total Additions                              | 34,546                         | 923,389                    | 957,935                    |
| <b>DEDUCTIONS</b>                            |                                |                            |                            |
| General and Administrative Expenses          | -                              | 870                        | 870                        |
| Distributions                                | <u>17,911</u>                  | <u>644,340</u>             | <u>662,251</u>             |
| Total Deductions                             | <u>17,911</u>                  | <u>645,210</u>             | <u>663,121</u>             |
| <b>CHANGE IN NET POSITION</b>                | 16,635                         | 278,179                    | 294,814                    |
| Net Position - Beginning                     | <u>148,570</u>                 | <u>1,416,741</u>           | <u>1,565,311</u>           |
| <b>NET POSITION - ENDING</b>                 | <u><u>\$ 165,205</u></u>       | <u><u>\$ 1,694,920</u></u> | <u><u>\$ 1,860,125</u></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 IRC 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, 2024**  
**(IN THOUSANDS)**

|   | Scholarship  | Higher<br>Education<br>Savings | Bartlett<br>Trust | Office<br>of State<br>Insurance | Total               |
|---|--------------|--------------------------------|-------------------|---------------------------------|---------------------|
| <b>ASSETS</b>                                       |              |                                |                   |                                 |                     |
| Cash and Cash Equivalents                           | \$ 20        | \$ 7,916                       | \$ -              | \$ 23,226                       | \$ 31,162           |
| Investment in State General Fund<br>Investment Pool | 52           | -                              | 120               | 262,558                         | 262,730             |
| Investments:  |              |                                |                   |                                 |                     |
| Investment Pools                                    | -            | 2,340,528                      | -                 | 662,025                         | 3,002,553           |
| Receivables:  |              |                                |                   |                                 |                     |
| Accrued Interest and Other                          | -            | 8                              | -                 | -                               | 8                   |
| Total Assets  | <u>72</u>    | <u>2,348,452</u>               | <u>120</u>        | <u>947,809</u>                  | <u>3,296,453</u>    |
| <b>LIABILITIES</b>                                  |              |                                |                   |                                 |                     |
| Accounts Payable                                    | -            | -                              | -                 | 6,570                           | 6,570               |
| Accrued Liabilities                                 | -            | 1,451                          | -                 | -                               | 1,451               |
| Unearned Revenue                                    | -            | -                              | -                 | 55,806                          | 55,806              |
| Other Liabilities                                   | -            | 108                            | -                 | 289,322                         | 289,430             |
| Total Liabilities                                   | <u>-</u>     | <u>1,559</u>                   | <u>-</u>          | <u>351,698</u>                  | <u>353,257</u>      |
| <b>NET POSITION</b>                                 |              |                                |                   |                                 |                     |
| Held in Trust for Other Purposes                    | <u>72</u>    | <u>2,346,893</u>               | <u>120</u>        | <u>596,111</u>                  | <u>2,943,196</u>    |
| Net Position  | <u>\$ 72</u> | <u>\$ 2,346,893</u>            | <u>\$ 120</u>     | <u>\$ 596,111</u>               | <u>\$ 2,943,196</u> |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | Scholarship  | Higher<br>Education<br>Savings | Bartlett<br>Trust | Office<br>of State<br>Insurance | Total               |
|---|--------------|--------------------------------|-------------------|---------------------------------|---------------------|
| <b>ADDITIONS</b>  |              |                                |                   |                                 |                     |
| Member Contributions                                    | \$ -         | \$ 178,178                     | \$ -              | \$ 173,823                      | \$ 352,001          |
| Total Contributions                                     | -            | 178,178                        | -                 | 173,823                         | 352,001             |
| Investment Income (Loss):                               |              |                                |                   |                                 |                     |
| Net Increase (Decrease) in Fair Value<br>of Investments | -            | 177,992                        | -                 | (19,282)                        | 158,710             |
| Interest and Dividends                                  | 1            | 52,673                         | 4                 | 8,495                           | 61,173              |
| Subtotal  | 1            | 230,665                        | 4                 | (10,787)                        | 219,883             |
| Less: Investment Expense                                | -            | 1,937                          | -                 | 330                             | 2,267               |
| Net Investment Income (Loss)                            | 1            | 228,728                        | 4                 | (11,117)                        | 217,616             |
| Other Additions:  |              |                                |                   |                                 |                     |
| Other Operating Revenues                                | -            | -                              | -                 | 144,908                         | 144,908             |
| Total Other Additions                                   | -            | -                              | -                 | 144,908                         | 144,908             |
| Total Additions   | 1            | 406,906                        | 4                 | 307,614                         | 714,525             |
| <b>DEDUCTIONS</b>                                       |              |                                |                   |                                 |                     |
| Distributions   | -            | 336,009                        | -                 | 128,762                         | 464,771             |
| General and Administrative Expenses                     | -            | 7,663                          | -                 | 95,595                          | 103,258             |
| Total Deductions  | -            | 343,672                        | -                 | 224,357                         | 568,029             |
| <b>CHANGE IN NET POSITION</b>                           | 1            | 63,234                         | 4                 | 83,257                          | 146,496             |
| Net Position - Beginning                                | 71           | 2,283,659                      | 116               | 512,854                         | 2,796,700           |
| <b>NET POSITION - ENDING</b>                            | <u>\$ 72</u> | <u>\$ 2,346,893</u>            | <u>\$ 120</u>     | <u>\$ 596,111</u>               | <u>\$ 2,943,196</u> |

**STATE OF NEW MEXICO  
NONMAJOR COMPONENT UNITS**

**Nonmajor Component Units**

There were 16 nonmajor component units at June 30, 2024. 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, 2024**  
**(IN THOUSANDS)**

|                                       | UNM<br>Alumni<br>Association | UNM<br>Lobo<br>Club | New Mexico<br>Tech<br>Foundation | New Mexico<br>Highlands<br>University<br>Foundation | Western<br>New Mexico<br>University<br>Foundation | Eastern<br>New Mexico<br>University<br>Foundation | ENMU -<br>Roswell<br>Foundation | ENMU -<br>Ruidoso<br>Foundation | Northern<br>New Mexico<br>College<br>Foundation |
|---------------------------------------|------------------------------|---------------------|----------------------------------|---|---|---|---------------------------------|---------------------------------|---|
| <b>ASSETS</b>                         |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Current Assets:                       |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Cash and Cash Equivalents             | \$ 435                       | \$ 6,511            | \$ 2,114                         | \$ 1,023  | \$ 544  | \$ 336  | \$ 49                           | \$ 108                          | \$ 121  |
| Investment in Local Government        |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Investment Pool                       | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Restricted Cash and Cash Equivalents  | -                            | -                   | -                                | -   | 1,109   | -   | -                               | -                               | 839   |
| Investments                           | 11,170                       | -                   | 25,823                           | -   | -   | -   | -                               | -                               | -   |
| Due from Primary Government           | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Receivables, Net                      | 39                           | 135                 | 314                              | 535   | -   | -   | -                               | -                               | -   |
| Other Current Assets                  | 28                           | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Prepaid Expenses                      | -                            | 8                   | -                                | 12  | 52  | -   | -                               | -                               | -   |
| Inventory                             | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Total Current Assets                  | 11,672                       | 6,654               | 28,251                           | 1,570   | 1,705   | 336   | 49                              | 108                             | 960   |
| Noncurrent Assets:                    |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Restricted Cash and Cash Equivalents  | -                            | -                   | -                                | 1,153   | 14,712  | -   | -                               | -                               | -   |
| Restricted Investments                | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | 9,762   |
| Loans Receivable, Net                 | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Investments                           | -                            | -                   | 14,110                           | 15,938  | 13,157  | 32,998  | 22,140                          | 633                             | -   |
| Other Noncurrent Assets               | -                            | -                   | 374                              | -   | -   | -   | -                               | -                               | -   |
| Nondepreciable Capital Assets         | -                            | -                   | 568                              | 6,238   | 297   | 143   | -                               | -                               | -   |
| Other Capital Assets, Net             | -                            | -                   | 562                              | -   | 43  | -   | -                               | -                               | -   |
| Total Noncurrent Assets               | -                            | -                   | 15,614                           | 23,329  | 28,209  | 33,141  | 22,140                          | 633                             | 9,762   |
| Total Assets                          | 11,672                       | 6,654               | 43,865                           | 24,899  | 29,914  | 33,477  | 22,189                          | 741                             | 10,722  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                              |                     |                                  |   |   |   |                                 |                                 |   |
| 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, 2024**  
**(IN THOUSANDS)**

|                                       | New Mexico<br>Military<br>Institute<br>Foundation | New Mexico<br>School for<br>Visually Impaired<br>Foundation | Cumbres<br>& Toltec<br>Scenic RR<br>Commission | New Mexico<br>Renewable<br>Transmission<br>Authority | New Mexico<br>Small Business<br>Investment<br>Corp. | Charter<br>Schools | New Mexico<br>Hospital<br>Equipment<br>Loan Council | Total<br>Nonmajor<br>Component<br>Units |
|---------------------------------------|---|---|--|--|---|--------------------|---|---|
| <b>ASSETS</b>                         |   |   |  |  |   |                    |   |   |
| Current Assets:                       |   |   |  |  |   |                    |   |   |
| Cash and Cash Equivalents             | \$ 80   | \$ 29   | \$ 3,188                                       | \$ 63  | \$ 37   | \$ 127,329         | \$ 107  | \$ 142,074                              |
| Investment in Local Government        |   |   |  |  |   |                    |   |   |
| Investment Pool                       | -   | -   | -  | 1,645  | 29,511  | -                  | -   | 31,156                                  |
| Restricted Cash and Cash Equivalents  | 6,277   | -   | -  | 27   | -   | 9,389              | -   | 17,641                                  |
| Investments                           | -   | -   | -  | -  | 26,937  | 2,277              | -   | 66,207                                  |
| Due from Primary Government           | 1   | -   | 597  | -  | -   | 14,699             | -   | 15,297                                  |
| Receivables, Net                      | 58  | -   | 3,119  | 891  | 349   | 4,395              | 49  | 9,884                                   |
| Other Current Assets                  | -   | -   | -  | -  | -   | -                  | -   | 28                                      |
| Prepaid Expenses                      | 4   | -   | 34   | 3  | 14  | 759                | 1   | 887                                     |
| Inventory                             | -   | -   | 427  | -  | -   | -                  | -   | 427                                     |
| Total Current Assets                  | 6,420   | 29  | 7,365  | 2,629  | 56,848  | 158,848            | 157   | 283,601                                 |
| Noncurrent Assets:                    |   |   |  |  |   |                    |   |   |
| Restricted Cash and Cash Equivalents  | -   | -   | -  | -  | -   | -                  | -   | 15,865                                  |
| Restricted Investments                | -   | -   | -  | -  | -   | -                  | -   | 9,762                                   |
| Loans Receivable, Net                 | -   | -   | -  | -  | 97,194  | -                  | -   | 97,194                                  |
| Investments                           | 69,862  | 248   | -  | -  | 2,240   | -                  | 2,782   | 174,108                                 |
| Other Noncurrent Assets               | 9,717   | -   | -  | 10,178   | 656   | 791                | -   | 21,716                                  |
| Nondepreciable Capital Assets         | -   | -   | 1,244  | -  | -   | 55,325             | -   | 63,815                                  |
| Other Capital Assets, Net             | -   | -   | 19,658   | 72   | -   | 248,988            | -   | 269,323                                 |
| Total Noncurrent Assets               | 79,579  | 248   | 20,902   | 10,250   | 100,090   | 305,104            | 2,782   | 651,783                                 |
| Total Assets                          | 85,999  | 277   | 28,267   | 12,879   | 156,938   | 463,952            | 2,939   | 935,384                                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |   |   |  |  |   |                    |   |   |
| Deferred Charge on Refunding          | -   | -   | -  | -  | -   | 406                | -   | 406                                     |
| Deferred Outflows - OPEB              | -   | -   | -  | -  | -   | 42,903             | -   | 42,903                                  |
| Deferred Outflows - Pension           | -   | -   | -  | -  | -   | 99,839             | -   | 99,839                                  |
| Total Deferred Outflows               | -   | -   | -  | -  | -   | 143,148            | -   | 143,148                                 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | UNM<br>Alumni<br>Association | UNM<br>Lobo<br>Club | New Mexico<br>Tech<br>Foundation | New Mexico<br>Highlands<br>University<br>Foundation | Western<br>New Mexico<br>University<br>Foundation | Eastern<br>New Mexico<br>University<br>Foundation | ENMU -<br>Roswell<br>Foundation | ENMU -<br>Ruidoso<br>Foundation | Northern<br>New Mexico<br>College<br>Foundation |
|---|------------------------------|---------------------|----------------------------------|---|---|---|---------------------------------|---------------------------------|---|
| <b>LIABILITIES</b>                            |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Current Liabilities:                          |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Accounts Payable                              | \$ 84                        | \$ 76               | \$ -                             | \$ 294  | \$ 7  | \$ 259  | \$ -                            | \$ 50                           | \$ -  |
| Accrued Liabilities                           | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Unearned Revenue                              | -                            | 647                 | -                                | -   | -   | -   | -                               | -                               | -   |
| Due to Primary Government                     | -                            | 2,558               | 50                               | -   | 391   | -   | -                               | -                               | 289   |
| Funds Held for Others                         | -                            | -                   | -                                | -   | 622   | -   | -                               | -                               | -   |
| Other Liabilities                             | -                            | -                   | -                                | -   | -   | 53  | -                               | -                               | -   |
| Bonds Payable - Current Portion               | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Other Long-Term Liabilities - Current Portion | -                            | -                   | -                                | 96  | 35  | -   | -                               | -                               | -   |
| Total Current Liabilities                     | 84                           | 3,281               | 50                               | 390   | 1,055   | 312   | -                               | 50                              | 289   |
| Noncurrent Liabilities:                       |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Bonds Payable                                 | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Due to Primary Government                     | -                            | -                   | -                                | 3,897   | -   | -   | -                               | -                               | -   |
| Net Pension Liability                         | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Net OPEB Liability                            | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Other Long-Term Liabilities                   | -                            | -                   | -                                | 369   | -   | -   | -                               | -                               | -   |
| Total Noncurrent Liabilities                  | -                            | -                   | -                                | 4,266   | -   | -   | -                               | -                               | -   |
| Total Liabilities                             | 84                           | 3,281               | 50                               | 4,656   | 1,055   | 312   | -                               | 50                              | 289   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Deferred Inflows - Pension                    | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Deferred Inflows - OPEB                       | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Deferred Inflows - Leases                     | -                            | -                   | 165                              | -   | -   | -   | -                               | -                               | -   |
| Deferred Inflows - Other                      | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Total Deferred Inflows                        | -                            | -                   | 165                              | -   | -   | -   | -                               | -                               | -   |
| <b>NET POSITION</b>                           |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Net Investment in Capital Assets              | -                            | -                   | 1,130                            | 5,774   | 305   | -   | -                               | -                               | -   |
| Restricted:                                   |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Nonexpendable                                 | -                            | -                   | 14,623                           | 6,543   | 27,902  | 18,612  | 2,216                           | 353                             | 10,601  |
| Expendable:                                   |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Other Purposes                                | -                            | 149                 | 4,940                            | 4,390   | 487   | 11,756  | 7,879                           | 218                             | -   |
| Unrestricted Net Position (Deficit)           | 11,588                       | 3,224               | 22,957                           | 3,536   | 165   | 2,797   | 12,094                          | 120                             | (168)   |
| Total Net Position (Deficit)                  | \$ 11,588                    | \$ 3,373            | \$ 43,650                        | \$ 20,243   | \$ 28,859   | \$ 33,165   | \$ 22,189                       | \$ 691                          | \$ 10,433                                       |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|   | New Mexico<br>Military<br>Institute<br>Foundation | New Mexico<br>School for<br>Visually Impaired<br>Foundation | Cumbres<br>& Toltec<br>Scenic RR<br>Commission | New Mexico<br>Renewable<br>Transmission<br>Authority | New Mexico<br>Small Business<br>Investment<br>Corp. | Charter<br>Schools | New Mexico<br>Hospital<br>Equipment<br>Loan Council | Total<br>Nonmajor<br>Component<br>Units |
|---|---|---|--|--|---|--------------------|---|---|
| <b>LIABILITIES</b>                            |   |   |  |  |   |                    |   |   |
| Current Liabilities:                          |   |   |  |  |   |                    |   |   |
| Accounts Payable                              | \$ 72   | \$ 3  | \$ 889   | \$ 71  | \$ 27   | \$ 4,413           | \$ 24   | \$ 6,269                                |
| Accrued Liabilities                           | -   | -   | 83   | -  | -   | 16,558             | -   | 16,641                                  |
| Unearned Revenue                              | 31  | -   | 1,308  | 27   | -   | 325                | -   | 2,338                                   |
| Due to Primary Government                     | 407   | -   | -  | -  | 3,143   | 76                 | -   | 6,914                                   |
| Funds Held for Others                         | -   | -   | -  | -  | -   | -                  | -   | 622                                     |
| Other Liabilities                             | -   | -   | -  | -  | 1,360   | 2,071              | -   | 3,484                                   |
| Bonds Payable - Current Portion               | -   | -   | -  | -  | -   | 23,098             | -   | 23,098                                  |
| Other Long-Term Liabilities - Current Portion | 25  | -   | 124  | 52   | -   | 8,822              | -   | 9,154                                   |
| Total Current Liabilities                     | 535   | 3   | 2,404  | 150  | 4,530   | 55,363             | 24  | 68,520                                  |
| Noncurrent Liabilities:                       |   |   |  |  |   |                    |   |   |
| Bonds Payable                                 | -   | -   | -  | -  | -   | 196,627            | -   | 196,627                                 |
| Due to Primary Government                     | -   | -   | -  | -  | -   | -                  | -   | 3,897                                   |
| Net Pension Liability                         | -   | -   | -  | -  | -   | 329,820            | -   | 329,820                                 |
| Net OPEB Liability                            | -   | -   | -  | -  | -   | 43,829             | -   | 43,829                                  |
| Other Long-Term Liabilities                   | -   | -   | 7  | 28   | -   | 25,854             | -   | 26,258                                  |
| Total Noncurrent Liabilities                  | -   | -   | 7  | 28   | -   | 596,130            | -   | 600,431                                 |
| Total Liabilities                             | 535   | 3   | 2,411  | 178  | 4,530   | 651,493            | 24  | 668,951                                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |   |   |  |  |   |                    |   |   |
| Deferred Inflows - Pension                    | -   | -   | -  | -  | -   | 62,011             | -   | 62,011                                  |
| Deferred Inflows - OPEB                       | -   | -   | -  | -  | -   | 53,179             | -   | 53,179                                  |
| Deferred Inflows - Leases                     | -   | -   | -  | -  | -   | -                  | -   | 165                                     |
| Deferred Inflows - Other                      | -   | -   | 3,286  | -  | -   | 729                | -   | 4,015                                   |
| Total Deferred Inflows                        | -   | -   | 3,286  | -  | -   | 115,919            | -   | 119,370                                 |
| <b>NET POSITION</b>                           |   |   |  |  |   |                    |   |   |
| Net Investment in Capital Assets              | -   | -   | 20,893   | 5  | -   | 54,783             | -   | 82,890                                  |
| Restricted:                                   |   |   |  |  |   |                    |   |   |
| Nonexpendable                                 | 32,815  | -   | -  | -  | 152,407   | -                  | -   | 266,072                                 |
| Expendable:                                   |   |   |  |  |   |                    |   |   |
| Other Purposes                                | 27,881  | 228   | -  | 12,696   | -   | 15,760             | -   | 86,384                                  |
| Unrestricted Net Position (Deficit)           | 24,768  | 46  | 1,677  | -  | 1   | (230,855)          | 2,915   | (145,135)                               |
| Total Net Position (Deficit)                  | \$ 85,464   | \$ 274  | \$ 22,570                                      | \$ 12,701  | \$ 152,408  | \$ (160,312)       | \$ 2,915  | \$ 290,211                              |

**STATE OF NEW MEXICO  
COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | UNM<br>Alumni<br>Association | UNM<br>Lobo<br>Club | New Mexico<br>Tech<br>Foundation | New Mexico<br>Highlands<br>University<br>Foundation | Western<br>New Mexico<br>University<br>Foundation | Eastern<br>New Mexico<br>University<br>Foundation | ENMU -<br>Roswell<br>Foundation | ENMU -<br>Ruidoso<br>Foundation | Northern<br>New Mexico<br>College<br>Foundation |
|--|------------------------------|---------------------|----------------------------------|---|---|---|---------------------------------|---------------------------------|---|
| <b>REVENUES</b>                        |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Program Revenues:                      |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Charges for Services                   | \$ 567                       | \$ 563              | \$ -                             | \$ -  | \$ -  | \$ -  | \$ -                            | \$ -                            | \$ -  |
| Operating Grants and Contributions     | -                            | 7,550               | 2,251                            | 1,104   | 1,179   | 652   | 24                              | 40                              | 258   |
| Total Program Revenues                 | 567                          | 8,113               | 2,251                            | 1,104   | 1,179   | 652   | 24                              | 40                              | 258   |
| <b>EXPENSES</b>                        | 788                          | 7,857               | 3,140                            | 1,626   | 1,030   | 2,111   | 394                             | 221                             | 282   |
| <b>REVENUES OVER (UNDER) EXPENSES</b>  | (221)                        | 256                 | (889)                            | (522)   | 149   | (1,459)   | (370)                           | (181)                           | (24)  |
| <b>OTHER REVENUES AND EXPENSES</b>     |                              |                     |                                  |   |   |   |                                 |                                 |   |
| Payment from State of New Mexico       | -                            | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Payment to State of New Mexico         | (130)                        | -                   | -                                | -   | -   | -   | -                               | -                               | -   |
| Other                                  | 3                            | 29                  | 101                              | 590   | 882   | 5,154   | 193                             | 135                             | -   |
| Investment Income                      | 1,292                        | 36                  | 3,689                            | 1,252   | 1,268   | 1,460   | 3,498                           | 51                              | 5,814   |
| Total Other Revenues and Expenses      | 1,165                        | 65                  | 3,790                            | 1,842   | 2,150   | 6,614   | 3,691                           | 186                             | 5,814   |
| <b>CHANGE IN NET POSITION</b>          | 944                          | 321                 | 2,901                            | 1,320   | 2,299   | 5,155   | 3,321                           | 5                               | 5,790   |
| Net Position - Beginning               | 10,644                       | 3,052               | 40,749                           | 18,923  | 26,560  | 28,010  | 18,868                          | 686                             | 4,643   |
| <b>NET POSITION - ENDING (DEFICIT)</b> | <u>\$ 11,588</u>             | <u>\$ 3,373</u>     | <u>\$ 43,650</u>                 | <u>\$ 20,243</u>                                    | <u>\$ 28,859</u>                                  | <u>\$ 33,165</u>                                  | <u>\$ 22,189</u>                | <u>\$ 691</u>                   | <u>\$ 10,433</u>                                |

**STATE OF NEW MEXICO  
COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS(CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|  | New Mexico<br>Military<br>Institute<br>Foundation | New Mexico<br>School for<br>Visually Impaired<br>Foundation | Cumbres<br>& Toltec<br>Scenic RR<br>Commission | New Mexico<br>Renewable<br>Transmission<br>Authority | New Mexico<br>Small Business<br>Investment<br>Corp. | Charter<br>Schools  | New Mexico<br>Hospital<br>Equipment<br>Loan Council | Total<br>Nonmajor<br>Component<br>Units |
|--|---|---|--|--|---|---------------------|---|---|
| <b>REVENUES</b>                        |   |   |  |  |   |                     |   |   |
| Program Revenues:                      |   |   |  |  |   |                     |   |   |
| Charges for Services                   | \$ 722  | \$ -  | \$ 5,502                                       | \$ 481   | \$ -  | \$ 2,256            | \$ 110  | \$ 10,201                               |
| Operating Grants and Contributions     | 1,688   | 54  | 2,448  | -  | -   | 95,310              | -   | 112,558                                 |
| Total Program Revenues                 | 2,410   | 54  | 7,950  | 481  | -   | 97,566              | 110   | 122,759                                 |
| <b>EXPENSES</b>                        | 2,741   | 45  | 8,304  | 1,312  | 483   | 323,685             | 111   | 354,130                                 |
| <b>REVENUES OVER (UNDER) EXPENSES</b>  | (331)   | 9   | (354)  | (831)  | (483)   | (226,119)           | (1)   | (231,371)                               |
| <b>OTHER REVENUES AND EXPENSES</b>     |   |   |  |  |   |                     |   |   |
| Payment from State of New Mexico       | -   | -   | -  | -  | 27,088  | 265,178             | -   | 292,266                                 |
| Payment to State of New Mexico         | -   | -   | -  | -  | -   | -                   | -   | (130)                                   |
| Other                                  | -   | -   | 348  | -  | -   | 26,911              | (7)   | 34,339                                  |
| Investment Income                      | 8,187   | 16  | 6  | 427  | 3,922   | -                   | 136   | 31,054                                  |
| Total Other Revenues and Expenses      | 8,187   | 16  | 354  | 427  | 31,010  | 292,089             | 129   | 357,529                                 |
| <b>CHANGE IN NET POSITION</b>          | 7,856   | 25  | -  | (404)  | 30,527  | 65,970              | 128   | 126,158                                 |
| Net Position - Beginning               | 77,608  | 249   | 22,570   | 13,105   | 121,881   | (226,282)           | 2,787   | 164,053                                 |
| <b>NET POSITION - ENDING (DEFICIT)</b> | <u>\$ 85,464</u>                                  | <u>\$ 274</u>   | <u>\$ 22,570</u>                               | <u>\$ 12,701</u>                                     | <u>\$ 152,408</u>                                   | <u>\$ (160,312)</u> | <u>\$ 2,915</u>                                     | <u>\$ 290,211</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.

|              |  |     |
|--------------|--|-----|
| Schedule A-1 | Net Position by Component                    | 298 |
| Schedule A-2 | Changes in Net Position                      | 300 |
| Schedule A-3 | Fund Balances, Governmental Funds            | 306 |
| Schedule A-4 | Changes in Fund Balances, Governmental Funds | 308 |

### 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.

|              |   |     |
|--------------|---|-----|
| Schedule B-1 | Schedule of Revenues, State General Fund                                    | 310 |
| Schedule B-2 | Revenue Base  | 314 |
| Schedule B-3 | Revenue Payers by Industry – Taxable Sales, Services, and Use Tax Purchases | 316 |
| Schedule B-4 | Revenue Payers – Personal Income Tax  | 317 |
| Schedule B-5 | Personal Income Tax Rates   | 318 |

### 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.

|              |  |     |
|--------------|--|-----|
| Schedule C-1 | Ratios of Outstanding Debt by Type         | 319 |
| Schedule C-2 | Long-Term Liabilities                      | 321 |
| Schedule C-3 | Legal Debt Margin                          | 323 |
| Schedule C-4 | Statutory Debt Limit – Severance Tax Bonds | 325 |
| Schedule C-5 | Pledged Revenue Bond Coverage              | 327 |

### 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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|--------------|-------------------------------------|-----|
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| Schedule D-3 | Composition of Labor Force          | 332 |
| Schedule D-4 | Public Higher Education Enrollment  | 334 |

### Operating Information

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

|              |  |     |
|--------------|--|-----|
| Schedule E-1 | Full-Time Equivalent State Employees by Function | 336 |
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## STATISTICAL SECTION INFORMATION

### Other Information

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

|              |   |     |
|--------------|---|-----|
| Schedule F-1 | Expenditures – Historical and Constant Dollars            | 345 |
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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          |                      |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| Governmental Activities:         |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 7,590,996         | \$ 6,998,390         | \$ 6,533,650         | \$ 6,212,235         | \$ 5,971,617         |
| Restricted                       | 63,615,298           | 53,960,311           | 42,996,897           | 37,944,662           | 30,024,134           |
| Unrestricted                     | <u>(3,746,933)</u>   | <u>(3,536,668)</u>   | <u>(3,860,356)</u>   | <u>(4,103,700)</u>   | <u>(4,658,434)</u>   |
| Total Governmental Activities    |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 67,459,361</u> | <u>\$ 57,422,033</u> | <u>\$ 45,670,191</u> | <u>\$ 40,053,197</u> | <u>\$ 31,337,317</u> |
| Business-Type Activities:        |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 2,396,173         | \$ 2,238,573         | \$ 2,031,156         | \$ 1,845,399         | \$ 1,808,184         |
| Restricted                       | 1,814,948            | 1,648,971            | 1,576,707            | 1,519,236            | 1,113,160            |
| Unrestricted                     | <u>(1,137,073)</u>   | <u>(1,953,436)</u>   | <u>(2,014,143)</u>   | <u>(1,891,399)</u>   | <u>(970,769)</u>     |
| Total Business-Type Activities   |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 3,074,048</u>  | <u>\$ 1,934,108</u>  | <u>\$ 1,593,720</u>  | <u>\$ 1,473,236</u>  | <u>\$ 1,950,575</u>  |
| Primary Government:              |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 9,987,169         | \$ 9,236,963         | \$ 8,564,806         | \$ 8,057,634         | \$ 7,779,801         |
| Restricted                       | 65,430,246           | 55,609,282           | 44,573,604           | 39,463,898           | 31,137,294           |
| Unrestricted                     | <u>(4,884,006)</u>   | <u>(5,490,104)</u>   | <u>(5,874,499)</u>   | <u>(5,995,099)</u>   | <u>(5,629,204)</u>   |
| Total Primary Government         |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 70,533,409</u> | <u>\$ 59,356,141</u> | <u>\$ 47,263,911</u> | <u>\$ 41,526,433</u> | <u>\$ 33,287,891</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          |                      |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| Governmental Activities:         |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 5,826,283         | \$ 5,866,806         | \$ 5,904,225         | \$ 5,930,820         | \$ 5,356,468         |
| Restricted                       | 27,579,790           | 25,740,851           | 23,268,593           | 18,311,421           | 12,658,737           |
| Unrestricted                     | (3,216,115)          | (4,690,920)          | (3,311,309)          | (326,978)            | 7,158,005            |
| Total Governmental Activities    |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 30,189,958</u> | <u>\$ 26,916,737</u> | <u>\$ 25,861,508</u> | <u>\$ 23,915,263</u> | <u>\$ 25,173,210</u> |
| Business-Type Activities:        |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 1,770,690         | \$ 1,755,991         | \$ 1,742,099         | \$ 1,654,692         | \$ 1,589,677         |
| Restricted                       | 1,386,077            | 1,319,357            | 1,251,369            | 1,317,251            | 987,021              |
| Unrestricted                     | (1,905,986)          | (1,547,653)          | (846,457)            | (975,829)            | (827,718)            |
| Total Business-Type Activities   |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 1,250,781</u>  | <u>\$ 1,527,695</u>  | <u>\$ 2,147,011</u>  | <u>\$ 1,996,114</u>  | <u>\$ 1,748,980</u>  |
| Primary Government:              |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 7,596,973         | \$ 7,622,797         | \$ 7,646,323         | \$ 7,585,511         | \$ 6,946,145         |
| Restricted                       | 28,965,865           | 27,060,209           | 24,519,962           | 19,628,672           | 13,645,758           |
| Unrestricted                     | (5,122,101)          | (6,238,579)          | (4,157,768)          | (1,302,806)          | 6,330,287            |
| Total Primary Government         |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 31,440,739</u> | <u>\$ 28,444,427</u> | <u>\$ 28,008,517</u> | <u>\$ 25,911,377</u> | <u>\$ 26,922,190</u> |

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

|  | Fiscal Year          |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| <b>PROGRAM EXPENSES</b>                        |                      |                      |                      |                      |                      |
| Governmental Activities:                       |                      |                      |                      |                      |                      |
| General Control                                | \$ 2,322,896         | \$ 1,913,234         | \$ 1,146,779         | \$ 2,091,970         | \$ 946,145           |
| Culture, Recreation, and Natural Resources     | 731,495              | 259,482              | 326,191              | 260,481              | 294,254              |
| Highway and Transportation                     | 1,099,613            | 1,003,382            | 920,656              | 871,871              | 952,604              |
| Judicial                                       | 429,703              | 385,550              | 358,032              | 313,217              | 367,458              |
| Legislative                                    | 38,748               | 35,330               | 26,873               | 24,595               | 26,741               |
| Public Safety                                  | 912,554              | 755,849              | 632,544              | 519,118              | 593,994              |
| Regulation and Licensing                       | 332,214              | 316,661              | 165,869              | 434,683              | 207,749              |
| Health and Human Services                      | 13,075,258           | 12,914,840           | 12,410,828           | 10,784,332           | 9,447,582            |
| Education                                      | 6,044,528            | 5,236,537            | 4,654,985            | 3,989,681            | 3,929,465            |
| Interest                                       | 72,896               | 63,668               | 135,183              | 132,809              | 112,126              |
| Special Items:                                 |                      |                      |                      |                      |                      |
| Reduction of Receivable, Internal Service Fund | -                    | -                    | -                    | -                    | -                    |
| Total Governmental Activities Expenses         | <u>25,059,905</u>    | <u>22,884,532</u>    | <u>20,777,940</u>    | <u>19,422,757</u>    | <u>16,878,118</u>    |
| Business-Type Activities:                      |                      |                      |                      |                      |                      |
| Educational Institutions                       | 3,954,505            | 4,244,860            | 4,012,425            | 4,881,052            | 2,802,996            |
| Public Schools Insurance                       | 530,541              | 442,918              | 439,580              | 404,049              | 397,157              |
| Environmental Loans                            | 1,384                | 4,452                | 5,466                | 2,638                | 1,387                |
| Miners' Colfax Medical Center                  | 36,736               | 45,316               | 41,055               | 32,893               | 40,490               |
| Unemployment Insurance                         | 223,018              | 175,949              | 425,382              | 2,716,542            | 1,547,564            |
| State Fair                                     | 17,535               | 16,204               | 14,598               | 8,691                | 15,007               |
| Other Business-Type Activities                 | 25,916               | 24,939               | 20,122               | 16,479               | 19,248               |
| Special Items                                  | -                    | -                    | -                    | -                    | -                    |
| Total Business-Type Activities Expenses        | <u>4,789,635</u>     | <u>4,954,637</u>     | <u>4,958,628</u>     | <u>8,062,344</u>     | <u>4,823,850</u>     |
| Total Primary Government Expenses              | <u>\$ 29,849,541</u> | <u>\$ 27,839,170</u> | <u>\$ 25,736,568</u> | <u>\$ 27,485,101</u> | <u>\$ 21,701,968</u> |

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

|  | Fiscal Year          |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2019                 | 2018                 | 2017<br>as Restated  | 2016                 | 2015                 |
| <b>PROGRAM EXPENSES</b>                        |                      |                      |                      |                      |                      |
| Governmental Activities:                       |                      |                      |                      |                      |                      |
| General Control                                | \$ 949,925           | \$ 1,244,170         | \$ 1,722,398         | \$ 1,706,181         | \$ 993,220           |
| Culture, Recreation, and Natural Resources     | 263,383              | 247,368              | 247,510              | 239,104              | 203,319              |
| Highway and Transportation                     | 876,159              | 805,736              | 824,522              | 987,512              | 1,051,567            |
| Judicial                                       | 341,818              | 306,806              | 304,097              | 315,829              | 255,761              |
| Legislative                                    | 28,024               | 24,068               | 26,834               | 23,184               | 29,626               |
| Public Safety                                  | 548,909              | 534,228              | 552,421              | 498,391              | 480,286              |
| Regulation and Licensing                       | 194,956              | 175,084              | 124,269              | 118,405              | 126,917              |
| Health and Human Services                      | 7,864,173            | 7,982,533            | 8,008,413            | 8,008,413            | 7,401,005            |
| Education                                      | 3,483,071            | 3,167,364            | 3,286,148            | 3,554,909            | 4,024,669            |
| Interest                                       | 130,183              | 123,439              | 115,594              | 123,083              | 131,154              |
| Special Items:                                 |                      |                      |                      |                      |                      |
| Reduction of Receivable, Internal Service Fund | -                    | -                    | -                    | -                    | 977                  |
| Total Governmental Activities Expenses         | 14,680,601           | 14,610,795           | 15,212,206           | 15,575,011           | 14,698,501           |
| Business-Type Activities:                      |                      |                      |                      |                      |                      |
| Educational Institutions                       | 3,844,396            | 3,645,245            | 3,383,288            | 3,126,892            | 3,041,713            |
| Public Schools Insurance                       | 370,389              | 354,996              | 383,282              | 395,579              | 363,373              |
| Environmental Loans                            | 2,726                | 1,526                | 1,949                | 2,266                | 441                  |
| Miners' Colfax Medical Center                  | 37,506               | 34,807               | 33,180               | 31,295               | 24,967               |
| Unemployment Insurance                         | 137,995              | 166,040              | 178,334              | 195,506              | 193,479              |
| State Fair                                     | 15,919               | 16,357               | 16,124               | 14,841               | 15,417               |
| Other Business-Type Activities                 | 22,845               | 20,536               | 18,869               | 16,524               | 18,199               |
| Special Items                                  | -                    | -                    | -                    | 866                  | -                    |
| Total Business-Type Activities Expenses        | 4,431,776            | 4,239,508            | 4,015,026            | 3,783,769            | 3,657,589            |
| Total Primary Government Expenses              | <u>\$ 19,112,378</u> | <u>\$ 18,850,302</u> | <u>\$ 19,227,232</u> | <u>\$ 19,358,780</u> | <u>\$ 18,356,090</u> |

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

|  | Fiscal Year           |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  |
| <b>PROGRAM REVENUES</b>                    |                       |                       |                       |                       |                       |
| Governmental Activities:                   |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| General Control                            | \$ 3,340,947          | \$ 3,633,122          | \$ 2,608,228          | \$ 1,170,449          | \$ 2,227,030          |
| Culture, Recreation, and Natural Resources | 2,592,067             | 2,793,054             | 2,461,709             | 1,297,090             | 66,086                |
| Highway and Transportation                 | 117,607               | 119,232               | 117,602               | 116,341               | 108,044               |
| Judicial                                   | 16,653                | 15,220                | 13,584                | 12,505                | 15,655                |
| Public Safety                              | 10,159                | 9,888                 | 9,434                 | 8,273                 | 11,753                |
| Regulation and Licensing                   | 59,659                | 64,970                | 94,658                | 80,805                | 44,733                |
| Health and Human Services                  | 268,446               | 251,447               | 226,341               | 219,276               | 199,137               |
| Education                                  | 10,269                | 8,529                 | 11,515                | 7,383                 | 6,464                 |
| Operating Grants and Contributions         | 11,193,969            | 12,445,085            | 11,394,256            | 10,609,948            | 7,750,233             |
| Capital Grants and Contributions           | 583,575               | 482,551               | 484,294               | 480,552               | 462,264               |
| Total Governmental Activities              |                       |                       |                       |                       |                       |
| Program Revenues                           | 18,193,351            | 19,823,098            | 17,421,621            | 14,002,622            | 10,891,399            |
| Business-Type Activities:                  |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| Educational Institutions                   | 2,547,041             | 1,947,792             | 2,019,164             | 1,976,449             | 1,768,685             |
| Public Schools Insurance                   | 484,978               | 438,435               | 413,906               | 403,369               | 393,010               |
| Environmental Loans                        | 8,803                 | 5,162                 | 1,566                 | 2,088                 | -                     |
| Miners' Colfax Medical Center              | 29,654                | 27,627                | 26,917                | 17,859                | 13,001                |
| Unemployment Insurance                     | 191,876               | 146,972               | 113,048               | 780,811               | 121,004               |
| State Fair                                 | 13,939                | 13,666                | 8,773                 | 390                   | 10,239                |
| Other Business-Type Activities             | 21,929                | 19,631                | 18,425                | 17,184                | 18,814                |
| Operating Grants and Contributions         | 620,393               | 608,117               | 1,157,358             | 2,908,576             | 1,919,974             |
| Capital Grants and Contributions           | 30,411                | 57,753                | 12,869                | 31,836                | 7,751                 |
| Total Business-Type Activities             |                       |                       |                       |                       |                       |
| Program Revenues                           | 3,949,024             | 3,265,155             | 3,772,026             | 6,138,562             | 4,252,478             |
| Total Primary Government                   |                       |                       |                       |                       |                       |
| Program Revenues                           | <u>\$ 18,193,351</u>  | <u>\$ 23,088,253</u>  | <u>\$ 21,193,647</u>  | <u>\$ 20,141,184</u>  | <u>\$ 15,143,877</u>  |
| <b>NET REVENUE (EXPENSE)</b>               |                       |                       |                       |                       |                       |
| Governmental Activities                    | \$ (6,866,554)        | \$ (3,061,434)        | \$ (3,356,319)        | \$ (5,420,135)        | \$ (5,986,719)        |
| Business-Type Activities                   | (840,611)             | (1,689,482)           | (1,186,602)           | (1,923,782)           | (571,372)             |
| Total Primary Government Net Expense       | <u>\$ (7,707,165)</u> | <u>\$ (4,750,916)</u> | <u>\$ (4,542,921)</u> | <u>\$ (7,343,917)</u> | <u>\$ (6,558,091)</u> |

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

|  | Fiscal Year           |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2019                  | 2018                  | 2017<br>as Restated   | 2016                  | 2015                  |
| <b>PROGRAM REVENUES</b>                    |                       |                       |                       |                       |                       |
| Governmental Activities:                   |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| General Control                            | \$ 2,795,908          | \$ 1,958,862          | \$ 1,581,393          | \$ 1,457,352          | \$ 1,880,869          |
| Culture, Recreation, and Natural Resources | 57,330                | 70,071                | 64,956                | 63,474                | 59,392                |
| Highway and Transportation                 | 115,639               | 111,792               | 109,835               | 110,754               | 105,215               |
| Judicial                                   | 17,873                | 17,706                | 17,011                | 15,620                | 6,243                 |
| Public Safety                              | 44,304                | 12,641                | 9,326                 | 9,345                 | 9,162                 |
| Regulation and Licensing                   | 41,915                | 41,178                | 34,304                | 35,218                | 45,558                |
| Health and Human Services                  | 167,077               | 173,479               | 159,894               | 147,373               | 135,431               |
| Education                                  | 6,474                 | 6,862                 | 7,346                 | 7,362                 | 8,726                 |
| Operating Grants and Contributions         | 6,453,390             | 6,850,440             | 6,595,050             | 6,855,527             | 6,356,248             |
| Capital Grants and Contributions           | 376,591               | -                     | -                     | -                     | -                     |
| Total Governmental Activities              |                       |                       |                       |                       |                       |
| Program Revenues                           | 10,076,501            | 9,243,031             | 8,579,115             | 8,702,025             | 8,606,844             |
| Business-Type Activities:                  |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| Educational Institutions                   | 1,732,441             | 1,665,364             | 1,642,869             | 1,521,460             | 1,567,129             |
| Public Schools Insurance                   | 375,555               | 373,489               | 378,957               | 363,949               | 351,731               |
| Environmental Loans                        | -                     | -                     | -                     | -                     | -                     |
| Miners' Colfax Medical Center              | 16,875                | 22,031                | 21,396                | 26,672                | 17,450                |
| Unemployment Insurance                     | 189                   | 243                   | 235                   | 361                   | -                     |
| State Fair                                 | 12,182                | 11,469                | 11,722                | 11,928                | 11,556                |
| Other Business-Type Activities             | 22,099                | 20,666                | 17,280                | 13,954                | 16,304                |
| Operating Grants and Contributions         | 663,285               | 697,032               | 896,071               | 595,057               | 627,067               |
| Capital Grants and Contributions           | 22,997                | 12,437                | 11,607                | 6,906                 | 12,524                |
| Total Business-Type Activities             |                       |                       |                       |                       |                       |
| Program Revenues                           | 2,845,623             | 2,802,731             | 2,980,137             | 2,540,287             | 2,603,761             |
| Total Primary Government                   |                       |                       |                       |                       |                       |
| Program Revenues                           | <u>\$ 12,922,124</u>  | <u>\$ 12,045,762</u>  | <u>\$ 11,559,252</u>  | <u>\$ 11,242,312</u>  | <u>\$ 11,210,605</u>  |
| <b>NET REVENUE (EXPENSE)</b>               |                       |                       |                       |                       |                       |
| Governmental Activities                    | \$ (4,693,509)        | \$ (5,367,765)        | \$ (6,633,091)        | \$ (6,872,986)        | \$ (6,091,657)        |
| Business-Type Activities                   | (1,586,154)           | (1,436,776)           | (1,034,889)           | (1,243,482)           | (1,053,828)           |
| Total Primary Government Net Expense       | <u>\$ (6,279,663)</u> | <u>\$ (6,804,541)</u> | <u>\$ (7,667,980)</u> | <u>\$ (8,116,468)</u> | <u>\$ (7,145,485)</u> |

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

|   | Fiscal Year          |                      |                      |                      |                     |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
|   | 2024                 | 2023                 | 2022                 | 2021                 | 2020                |
| <b>GENERAL REVENUES AND OTHER<br/>CHANGES IN NET POSITION</b> |                      |                      |                      |                      |                     |
| Governmental Activities:                                      |                      |                      |                      |                      |                     |
| Taxes:  |                      |                      |                      |                      |                     |
| Individual Income Tax   | \$ 2,046,878         | \$ 1,621,993         | \$ 1,424,390         | \$ 1,837,492         | \$ 1,715,499        |
| Corporate Income Tax  | 640,784              | 440,208              | 335,978              | 147,434              | 63,000              |
| Gross Receipts Taxes  | 4,147,401            | 4,224,494            | 3,640,515            | 3,000,606            | 3,115,214           |
| Business Privilege  | 6,144,466            | 6,360,453            | 5,757,836            | 3,069,393            | 2,530,032           |
| Unemployment Insurance  | -                    | -                    | -                    | -                    | -                   |
| Other Taxes   | 122,019              | 70,450               | 48,333               | 15,087               | 35,080              |
| Investment Income   | 4,490,045            | 2,873,705            | (1,531,190)          | 6,671,245            | 316,768             |
| Capital Gain  | -                    | -                    | (35)                 | 139                  | 7,703               |
| Nonoperating Investment Income and Other                      | -                    | -                    | -                    | -                    | -                   |
| Other Financing Sources Related to Leases                     | -                    | -                    | 201                  | -                    | -                   |
| Other Revenue   | 811,771              | 612,743              | 267,488              | 298,326              | 298,789             |
| Special Item - Potential Loss SGFIP                           | -                    | -                    | -                    | -                    | -                   |
| Special Item - Indian Water Rights Settlement                 | -                    | -                    | -                    | -                    | (15)                |
| Special Item - AZ Water Settlement                            | -                    | -                    | -                    | -                    | -                   |
| Transfers   | (1,499,482)          | (1,390,769)          | (907,838)            | (914,694)            | (940,448)           |
| Total Governmental Activities                                 | <u>16,903,882</u>    | <u>14,813,277</u>    | <u>9,035,678</u>     | <u>14,125,028</u>    | <u>7,141,622</u>    |
| Business-Type Activities:                                     |                      |                      |                      |                      |                     |
| Taxes:  |                      |                      |                      |                      |                     |
| Other Taxes   | -                    | -                    | -                    | -                    | -                   |
| Investment Income (Loss)                                      | 79,535               | 98,625               | (62,068)             | 125,456              | 22,741              |
| Special Item Loss of Discontinuance                           | -                    | -                    | (88,267)             | (7,482)              | -                   |
| Nonoperating Investment Income and Other                      | -                    | -                    | -                    | -                    | 34,408              |
| Other Financing Sources Related to Leases                     | -                    | -                    | 41                   | -                    | -                   |
| Other Revenue   | 339,765              | 540,319              | 566,280              | 415,326              | 275,299             |
| Transfers   | 1,499,482            | 1,390,769            | 907,838              | 914,694              | 940,448             |
| Total Business-Type Activities                                | <u>1,918,782</u>     | <u>2,029,713</u>     | <u>1,323,824</u>     | <u>1,447,994</u>     | <u>1,272,896</u>    |
| Total Primary Government                                      | <u>\$ 18,822,664</u> | <u>\$ 16,842,990</u> | <u>\$ 10,359,502</u> | <u>\$ 15,573,022</u> | <u>\$ 8,414,517</u> |
| <b>CHANGE IN NET POSITION</b>                                 |                      |                      |                      |                      |                     |
| Governmental Activities                                       | \$ 10,037,328        | \$ 11,751,843        | \$ 5,679,360         | \$ 8,704,893         | \$ 1,154,903        |
| Business-Type Activities                                      | <u>1,078,171</u>     | <u>340,231</u>       | <u>137,222</u>       | <u>(475,788)</u>     | <u>701,524</u>      |
| Total Primary Government                                      | <u>\$ 11,115,499</u> | <u>\$ 12,092,074</u> | <u>\$ 5,816,581</u>  | <u>\$ 8,229,105</u>  | <u>\$ 1,856,427</u> |



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

|   | Fiscal Year         |                     |                     |                       |                     |
|---|---------------------|---------------------|---------------------|-----------------------|---------------------|
|   | 2019                | 2018                | 2017<br>as Restated | 2016                  | 2015                |
| <b>GENERAL REVENUES AND OTHER<br/>CHANGES IN NET POSITION</b> |                     |                     |                     |                       |                     |
| Governmental Activities:                                      |                     |                     |                     |                       |                     |
| Taxes:  |                     |                     |                     |                       |                     |
| Individual Income Tax   | \$ 1,713,643        | \$ 1,581,590        | \$ 1,418,070        | \$ 1,320,154          | \$ 1,451,288        |
| Corporate Income Tax  | 179,781             | (67,093)            | 76,274              | 118,502               | 262,600             |
| Gross Receipts Taxes  | 2,869,466           | 2,541,586           | 2,168,168           | 2,109,889             | 4,238,670           |
| Business Privilege  | 2,531,119           | 2,212,070           | 1,863,055           | 1,622,513             | -                   |
| Unemployment Insurance  | 18,510              | 14,529              | 7,200               | 18,970                | -                   |
| Other Taxes   | 4,849               | 7,154               | 3,545               | 7,055                 | 33,424              |
| Investment Income   | 1,407,043           | 1,949,319           | 2,548,331           | 909,846               | 1,212,060           |
| Capital Gain  | 7,792               | 404                 | -                   | -                     | -                   |
| Nonoperating Investment Income and Other                      | -                   | 155                 | 68                  | 34                    | -                   |
| Other Financing Sources Related to Leases                     | -                   | -                   | -                   | -                     | -                   |
| Other Revenue   | 201,773             | 234,541             | 629,959             | 629,959               | 129,035             |
| Special Item - Potential Loss SGFIP                           | -                   | -                   | -                   | -                     | 100,000             |
| Special Item - Indian Water Rights Settlement                 | -                   | -                   | -                   | (12,436)              | (15,561)            |
| Special Item - AZ Water Settlement                            | -                   | -                   | 9,040               | 9,040                 | 9,040               |
| Transfers   | (843,055)           | (727,311)           | (1,084,495)         | (1,084,495)           | (797,559)           |
| Total Governmental Activities                                 | <u>8,090,920</u>    | <u>7,746,944</u>    | <u>7,639,216</u>    | <u>5,649,032</u>      | <u>6,622,997</u>    |
| Business-Type Activities:                                     |                     |                     |                     |                       |                     |
| Taxes:  |                     |                     |                     |                       |                     |
| Other Taxes   | 126,103             | 167,975             | 205,143             | 342,488               | 269,593             |
| Investment Income (Loss)                                      | 23,776              | 14,276              | 13,742              | 9,838                 | 9,292               |
| Special Item Loss of Discontinuance                           | -                   | -                   | -                   | -                     | -                   |
| Nonoperating Investment Income and Other                      | 50,206              | 27,865              | 47,929              | 21,465                | -                   |
| Other Financing Sources Related to Leases                     | -                   | -                   | -                   | -                     | -                   |
| Other Revenue   | 258,532             | 260,061             | 123,959             | 242,772               | 244,201             |
| Transfers   | 843,055             | 727,311             | 831,243             | 831,243               | 797,559             |
| Total Business-Type Activities                                | <u>1,301,673</u>    | <u>1,197,489</u>    | <u>1,222,016</u>    | <u>1,447,806</u>      | <u>1,320,645</u>    |
| Total Primary Government                                      | <u>\$ 9,392,593</u> | <u>\$ 8,944,432</u> | <u>\$ 8,861,232</u> | <u>\$ 7,096,838</u>   | <u>\$ 7,943,642</u> |
| <b>CHANGE IN NET POSITION</b>                                 |                     |                     |                     |                       |                     |
| Governmental Activities                                       | \$ 3,397,411        | \$ 2,379,179        | \$ 1,006,124        | \$ (1,223,955)        | \$ 531,340          |
| Business-Type Activities                                      | (284,481)           | (239,287)           | 187,127             | 204,324               | 266,817             |
| Total Primary Government                                      | <u>\$ 3,112,929</u> | <u>\$ 2,139,893</u> | <u>\$ 1,193,253</u> | <u>\$ (1,019,629)</u> | <u>\$ 798,157</u>   |

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

|                                    | Fiscal Year         |                      |                      |                      |                      |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2024                | 2023                 | 2022                 | 2021                 | 2020                 |
| General Fund:                      |                     |                      |                      |                      |                      |
| Nonspendable                       | \$ 501,981          | \$ 55,345            | \$ 52,590            | \$ 52,580            | \$ 46,026            |
| Restricted                         | 792,414             | 13,913,099           | 8,791,420            | 4,556,671            | 3,389,316            |
| Committed                          | -                   | 93,045               | 37,390               | 48,062               | 45,460               |
| Assigned                           | -                   | 145,357              | 158,751              | 25,065               | 12,923               |
| Unassigned                         | 64,075              | 598,490              | 427,031              | 356,122              | 532,328              |
| Total General Fund                 | <u>\$ 1,358,470</u> | <u>\$ 14,805,336</u> | <u>\$ 9,467,182</u>  | <u>\$ 5,038,500</u>  | <u>\$ 4,026,053</u>  |
| All Other Governmental Funds:      |                     |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                     |                      |                      |                      |                      |
| Nonspendable                       | \$ 43               | \$ 2,000             | \$ -                 | \$ -                 | \$ -                 |
| Restricted                         | 104                 | 41,949,338           | 36,103,646           | 34,773,091           | 26,933,416           |
| Committed                          | -                   | 2,520                | 20                   | 20                   | -                    |
| Assigned                           | -                   | -                    | -                    | -                    | 41                   |
| Unassigned (Deficit)               | 2,000               | (44,372)             | (33,657)             | (21,357)             | (6,817)              |
| Total All Other Governmental Funds | <u>\$ 2,147</u>     | <u>\$ 41,909,487</u> | <u>\$ 36,070,010</u> | <u>\$ 34,751,754</u> | <u>\$ 26,926,640</u> |
| All Governmental Funds:            |                     |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                     |                      |                      |                      |                      |
| Nonspendable                       | \$ 502,024          | \$ 57,345            | \$ 52,590            | \$ 52,580            | \$ 46,026            |
| Restricted                         | 792,518             | 55,862,437           | 44,895,066           | 39,329,762           | 30,322,732           |
| Committed                          | -                   | 95,565               | 37,410               | 48,082               | 45,460               |
| Assigned                           | -                   | 145,357              | 158,751              | 25,065               | 12,964               |
| Unassigned (Deficit)               | 66,075              | 554,118              | 393,375              | 334,765              | 525,513              |
| Total All Governmental Funds       | <u>\$ 1,360,617</u> | <u>\$ 56,714,823</u> | <u>\$ 45,537,192</u> | <u>\$ 39,790,255</u> | <u>\$ 30,952,693</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          |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| General Fund:                      |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 47,309            | \$ 61,378            | \$ 59,626            | \$ 64,166            | \$ 52,433            |
| Restricted                         | 1,389,540            | 1,159,544            | 835,483              | 890,206              | 916,201              |
| Committed                          | 35,352               | 38,294               | 388,030              | 250,021              | 695,182              |
| Assigned                           | 15,472               | 11,572               | 9,088                | 9,989                | 16,395               |
| Unassigned                         | 1,607,072            | 882,313              | 4,895                | (120,451)            | 189,932              |
| Total General Fund                 | <u>\$ 3,094,745</u>  | <u>\$ 2,153,101</u>  | <u>\$ 1,297,122</u>  | <u>\$ 1,093,931</u>  | <u>\$ 1,870,143</u>  |
| All Other Governmental Funds:      |                      |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 10,000,000        |
| Restricted                         | 26,689,046           | 24,609,102           | 22,503,741           | 20,783,582           | 10,987,671           |
| Committed                          | -                    | 514                  | 1,959                | 11,315               | 10,758               |
| Assigned                           | 150                  | -                    | -                    | -                    | -                    |
| Unassigned (Deficit)               | (3)                  | 9,553                | (3,329)              | (9,342)              | -                    |
| Total All Other Governmental Funds | <u>\$ 26,689,193</u> | <u>\$ 24,619,169</u> | <u>\$ 22,502,371</u> | <u>\$ 20,785,555</u> | <u>\$ 20,998,429</u> |
| All Governmental Funds:            |                      |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 47,309            | \$ 61,378            | \$ 59,626            | \$ 64,166            | \$ 10,052,433        |
| Restricted                         | 28,078,586           | 25,768,646           | 23,339,224           | 21,673,788           | 11,903,872           |
| Committed                          | 35,352               | 38,808               | 389,989              | 261,336              | 705,940              |
| Assigned                           | 15,622               | 11,572               | 9,088                | 9,989                | 16,395               |
| Unassigned (Deficit)               | 1,607,069            | 891,866              | 1,566                | (129,793)            | 189,932              |
| Total All Governmental Funds       | <u>\$ 29,783,938</u> | <u>\$ 26,772,270</u> | <u>\$ 23,799,493</u> | <u>\$ 21,879,486</u> | <u>\$ 22,868,572</u> |

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

|  | Fiscal Year         |                      |                     |                     |                     |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|
|  | 2024                | 2023                 | 2022                | 2021                | 2020                |
| <b>REVENUES</b>  |                     |                      |                     |                     |                     |
| Taxes  | \$ 13,092,599       | \$ 12,697,561        | \$ 11,163,043       | \$ 8,020,634        | \$ 7,402,984        |
| Federal  | 11,747,878          | 12,502,598           | 11,913,097          | 11,028,954          | 8,207,807           |
| Interest and Other Investment Income (Loss)                  | 4,484,509           | 2,873,705            | (1,531,551)         | 6,671,007           | 311,027             |
| Rentals and Royalties  | 5,353,935           | 5,936,951            | 4,671,215           | 2,064,447           | 1,871,338           |
| Charges for Services   | 223,685             | 209,754              | 193,778             | 177,892             | 165,893             |
| Licenses, Fees, and Permits                                  | 419,525             | 366,838              | 348,939             | 338,765             | 310,474             |
| Assessments *  | 55,507              | 52,420               | 47,430              | 43,215              | 46,289              |
| Other Revenues   | 798,153             | 614,101              | 251,044             | 285,083             | 321,663             |
| Total Revenues   | 36,175,791          | 35,253,928           | 27,056,995          | 28,629,997          | 18,637,475          |
| <b>EXPENDITURES</b>  |                     |                      |                     |                     |                     |
| Current:   |                     |                      |                     |                     |                     |
| Culture, Recreation, and Natural Resources                   | 725,548             | 252,798              | 321,970             | 263,873             | 271,368             |
| Education  | 6,046,229           | 5,238,143            | 4,441,370           | 3,995,767           | 3,926,195           |
| General Control  | 1,278,570           | 1,161,992            | 828,625             | 1,546,468           | 414,139             |
| Health and Human Services                                    | 13,114,581          | 12,952,559           | 12,395,672          | 10,880,703          | 9,408,746           |
| Highways and Transportation                                  | 812,994             | 739,070              | 585,769             | 519,970             | 556,756             |
| Judicial   | 436,783             | 393,753              | 372,489             | 345,789             | 347,330             |
| Legislative  | 38,180              | 34,604               | 28,171              | 26,532              | 25,855              |
| Public Safety  | 914,254             | 761,757              | 646,520             | 557,020             | 574,944             |
| Regulation and Licensing                                     | 331,806             | 321,085              | 165,249             | 437,354             | 200,198             |
| Capital Outlay   | 958,735             | 872,681              | 792,061             | 649,771             | 543,938             |
| Debt Service:  |                     |                      |                     |                     |                     |
| Principal  | 2,017,301           | 1,461,940            | 858,409             | 730,374             | 892,163             |
| Interest   | 137,487             | 126,590              | 119,189             | 94,305              | 114,062             |
| Total Expenditures   | 26,812,468          | 24,316,972           | 21,555,494          | 20,047,926          | 17,275,695          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 9,363,323           | 10,936,956           | 5,501,501           | 8,582,071           | 1,361,780           |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                      |                     |                     |                     |
| Bonds Issued   | 1,505,715           | 1,539,199            | 964,189             | 974,808             | 701,709             |
| Bond Premium   | -                   | 59,060               | 100,393             | 130,009             | 17,947              |
| Refunding Bond Issue   | -                   | -                    | 51,777              | 107,346             | -                   |
| Proceeds from the Sale of Capital Assets                     | 4,999               | 1,926                | 3,307               | 1,057               | 1,836               |
| Operating Transfers In                                       | 12,552,125          | 5,878,981            | 5,292,395           | 3,095,754           | 1,502,549           |
| Operating Transfers Out                                      | (14,135,705)        | (7,326,274)          | (6,206,988)         | (4,016,147)         | (2,449,323)         |
| Payment to Refunded Bond Escrow Agent                        | -                   | -                    | (51,981)            | (113,803)           | -                   |
| Miscellaneous Other Financing Sources (Uses)                 | 89,438              | 87,120               | 111,735             | -                   | -                   |
| Total Other Financing Sources (Uses)                         | 16,572              | 240,012              | 264,827             | 179,024             | (225,282)           |
| <b>SPECIAL ITEM</b>  |                     |                      |                     |                     |                     |
| Reduction of Loss Contingency                                | -                   | -                    | -                   | -                   | -                   |
| Native American Water Rights Settlement                      | -                   | -                    | -                   | -                   | -                   |
| Arizona Water Settlement                                     | -                   | -                    | -                   | -                   | -                   |
| Total Special Items  | -                   | -                    | -                   | -                   | -                   |
| Total other Financing Sources (Uses)<br>and Special Items    | 16,572              | 240,012              | 264,827             | 179,024             | (225,282)           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>\$ 9,379,895</u> | <u>\$ 11,176,968</u> | <u>\$ 5,766,328</u> | <u>\$ 8,761,095</u> | <u>\$ 1,136,498</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 8.3%                | 6.8%                 | 4.7%                | 4.3%                | 4.8%                |

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

|  | Fiscal Year         |                     |                     |                     |                   |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|
|  | 2019                | 2018                | 2017<br>as Restated | 2016                | 2015              |
| <b>REVENUES</b>  |                     |                     |                     |                     |                   |
| Taxes  | \$ 7,096,167        | \$ 6,401,737        | \$ 5,472,102        | \$ 5,197,084        | \$ 5,923,849      |
| Federal  | 6,734,473           | 6,848,354           | 6,595,840           | 6,856,707           | 6,363,684         |
| Interest and Other Investment Income (Loss)                  | 1,402,273           | 1,948,254           | 2,540,517           | 912,262             | 1,211,998         |
| Rentals and Royalties  | 2,246,843           | 1,403,151           | 1,002,692           | 888,424             | 1,281,002         |
| Charges for Services   | 168,392             | 173,087             | 164,565             | 119,509             | 124,674           |
| Licenses, Fees, and Permits                                  | 318,456             | 319,293             | 294,482             | 307,532             | 295,282           |
| Assessments *  | 14,983              | 12,803              | 13,820              | 14,389              | -                 |
| Other Revenues   | 388,654             | 257,393             | 781,248             | 633,628             | 202,935           |
| Total Revenues   | 18,370,240          | 17,364,072          | 16,865,266          | 14,929,535          | 15,403,424        |
| <b>EXPENDITURES</b>  |                     |                     |                     |                     |                   |
| Current:   |                     |                     |                     |                     |                   |
| Culture, Recreation, and Natural Resources                   | 243,938             | 228,675             | 230,478             | 223,328             | 210,368           |
| Education  | 3,480,930           | 3,166,486           | 3,285,298           | 3,554,249           | 4,025,302         |
| General Control  | 467,422             | 550,302             | 981,271             | 1,600,674           | 487,468           |
| Health and Human Services                                    | 7,855,655           | 7,975,718           | 7,737,341           | 7,996,609           | 7,355,734         |
| Highways and Transportation                                  | 503,931             | 420,625             | 448,401             | 740,977             | 462,267           |
| Judicial   | 325,644             | 300,587             | 298,224             | 306,727             | 250,360           |
| Legislative  | 27,331              | 23,992              | 26,725              | 23,022              | 27,696            |
| Public Safety  | 540,565             | 515,112             | 535,834             | 482,558             | 470,406           |
| Regulation and Licensing                                     | 188,274             | 169,142             | 116,252             | 111,747             | 121,567           |
| Capital Outlay   | 487,503             | 405,338             | 352,204             | 118,018             | 444,308           |
| Debt Service:  |                     |                     |                     |                     |                   |
| Principal  | 567,644             | 382,549             | 298,168             | 282,120             | 284,766           |
| Interest   | 120,424             | 190,182             | 123,810             | 109,886             | 128,197           |
| Total Expenditures   | 14,809,261          | 14,328,708          | 14,434,007          | 15,549,915          | 14,268,439        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 3,560,979           | 3,035,364           | 2,431,259           | (620,380)           | 1,134,985         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |                     |                   |
| Bonds Issued   | 310,118             | 539,370             | 45,815              | 474,018             | 141,635           |
| Bond Premium   | 7,170               | 154,128             | 5,463               | 82,239              | 43,146            |
| Refunding Bond Issue   | -                   | 420,096             | -                   | 181,395             | 79,405            |
| Proceeds from the Sale of Capital Assets                     | 1,577               | 1,751               | 1,226               | 1,803               | 1,136             |
| Operating Transfers In                                       | 2,172,675           | 8,604,858           | 8,030,490           | 7,182,543           | 7,233,253         |
| Operating Transfers Out                                      | (3,019,190)         | (9,336,219)         | (8,739,680)         | (7,918,883)         | (8,035,458)       |
| Payment to Refunded Bond Escrow Agent                        | -                   | (450,865)           | -                   | (208,143)           | (96,083)          |
| Miscellaneous Other Financing Sources (Uses)                 | -                   | -                   | -                   | -                   | -                 |
| Total Other Financing Sources (Uses)                         | (527,650)           | (66,881)            | (656,687)           | (205,028)           | (632,966)         |
| <b>SPECIAL ITEM</b>  |                     |                     |                     |                     |                   |
| Reduction of Loss Contingency                                | -                   | -                   | -                   | -                   | 93,479            |
| Native American Water Rights Settlement                      | -                   | -                   | -                   | (12,436)            | -                 |
| Arizona Water Settlement                                     | -                   | -                   | -                   | (9,040)             | -                 |
| Total Special Items  | -                   | -                   | -                   | (21,476)            | 93,479            |
| Total other Financing Sources (Uses)<br>and Special Items    | (527,650)           | (66,881)            | (656,687)           | (226,504)           | (539,487)         |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>\$ 3,033,329</u> | <u>\$ 2,968,483</u> | <u>\$ 1,774,572</u> | <u>\$ (846,884)</u> | <u>\$ 595,498</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 4.8%                | 4.1%                | 3.0%                | 2.5%                | 3.0%              |

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

|   | Fiscal Year  |              |                     |                     |                     |
|---|--------------|--------------|---------------------|---------------------|---------------------|
|   | 2024         | 2023         | 2022<br>as Restated | 2021<br>as Restated | 2019<br>as Restated |
| <b>REVENUES</b>                                 |              |              |                     |                     |                     |
| Taxes and License Fees:                         |              |              |                     |                     |                     |
| General and Selective Sales Taxes:              |              |              |                     |                     |                     |
| Gross Receipts                                  | \$ 4,048,573 | \$ 3,954,164 | \$ 3,424,014        | \$ 2,799,239        | \$ 2,942,128        |
| Compensating                                    | 83,157       | 93,866       | 63,139              | 63,893              | 63,578              |
| Tobacco (Luxury)                                | 71,109       | 81,140       | 82,813              | 90,529              | 88,809              |
| Alcoholic Beverage                              | 24,026       | 24,485       | 25,023              | 24,575              | 24,610              |
| Insurance                                       | 369,989      | 390,850      | 320,850             | 292,664             | 259,170             |
| Fire Protection                                 | -            | -            | -                   | -                   | -                   |
| Racing  | -            | -            | -                   | -                   | -                   |
| Private Car                                     | -            | -            | 999                 | 762                 | 552                 |
| Motor Vehicle and Other Excise Tax              | 167,257      | 164,724      | 155,261             | 174,061             | 137,769             |
| Gaming Tax                                      | 67,722       | 72,062       | 68,365              | 24,655              | 46,005              |
| Leased Vehicles Gross Receipts<br>and Surcharge | 3,951        | 3,709        | 3,286               | 3,099               | 4,711               |
| Gasoline Tax                                    | 5,570        | 739          | 2,547               | 851                 | 596                 |
| Telecommunications Relay Surcharge              | 50           | 13           | 95                  | 203                 | 113                 |
| Boat Excise Tax                                 | 417          | 368          | 360                 | 441                 | 290                 |
| Total General and Selective Sales Tax           | 4,841,821    | 4,786,120    | 4,146,752           | 3,474,972           | 3,568,332           |
| Income Taxes:                                   |              |              |                     |                     |                     |
| Gross Withholding                               | 122,656      | 183,429      | 198,996             | 159,802             | 100,329             |
| Final Settlements                               | 2,034,742    | 1,507,614    | 1,194,645           | 1,643,503           | 1,577,189           |
| Less:   |              |              |                     |                     |                     |
| Transfer - Retiree Health Care                  | -            | -            | -                   | -                   | -                   |
| Transfer - PIT Suspense and Others              | -            | -            | -                   | -                   | -                   |
| Net Personal Income Taxes                       | 2,157,398    | 1,691,043    | 1,393,641           | 1,803,304           | 1,677,518           |
| Corporate Taxes                                 | 627,150      | 439,140      | 343,853             | 149,666             | 63,198              |
| Estate Taxes                                    | -            | -            | -                   | -                   | -                   |
| Fiduciary Taxes                                 | 35,815       | -            | 34,979              | 3,107               | 14,343              |
| Total Income Taxes                              | 2,820,362    | 2,130,182    | 1,772,471           | 1,956,077           | 1,755,060           |
| Severance Taxes:                                |              |              |                     |                     |                     |
| Oil and Gas School Tax                          | 1,810,562    | 1,987,797    | 1,865,805           | 763,113             | 388,671             |
| 7% Oil Conservation                             | 106,204      | 109,966      | 99,655              | 39,597              | 29,510              |
| Resources Excise                                | 7,865        | 9,200        | 8,716               | 6,751               | 7,148               |
| Natural Gas Processors                          | 53,519       | 35,120       | 10,195              | 10,504              | 14,764              |
| Total Severance Taxes                           | 1,978,150    | 2,142,083    | 1,984,370           | 819,965             | 440,093             |
| Total Taxes                                     | 9,640,333    | 9,058,385    | 7,903,594           | 6,251,014           | 5,763,485           |
| License Fees:                                   |              |              |                     |                     |                     |
| Manufactured Housing                            | -            | -            | -                   | -                   | 70                  |
| Trade and Professions License                   | 11,122       | 26,128       | -                   | -                   | 23,457              |
| Corporate Filing                                | 5,315        | 4,400        | 5,103               | 4,278               | 4,176               |
| Alcoholic Beverages and Gaming                  | -            | 456          | -                   | -                   | -                   |
| Financial Institutions                          | -            | -            | -                   | -                   | 3,396               |
| Corporate Special                               | -            | -            | -                   | -                   | -                   |
| Construction Industries                         | -            | (1)          | (1)                 | -                   | 4,890               |
| Gaming License and Permit Fees                  | 300          | 1,087        | 345                 | 299                 | 313                 |
| Securities Receipts                             | -            | -            | -                   | -                   | 2,531               |
| Public Utilities                                | 15,773       | 17,051       | 15,545              | 17,067              | 11,464              |
| Pipeline Fees                                   | 407          | 202          | 306                 | 164                 | 170                 |
| Motor Vehicles Miscellaneous Fees               | -            | -            | (1,115)             | 368                 | 228                 |
| MVD Penalty Assessments                         | 448          | 556          | 3,600               | 3,323               | 3,771               |
| Total License Fees                              | 33,367       | 49,881       | 23,785              | 25,499              | 54,464              |
| Total Taxes and License Fees                    | 9,673,700    | 9,108,266    | 7,927,379           | 7,929,094           | 6,305,477           |

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

|   | Fiscal Year         |                     |                     |              |              |
|---|---------------------|---------------------|---------------------|--------------|--------------|
|   | 2019<br>as Restated | 2018<br>as Restated | 2017<br>as Restated | 2016         | 2015         |
| <b>REVENUES</b>                                 |                     |                     |                     |              |              |
| Taxes and License Fees:                         |                     |                     |                     |              |              |
| General and Selective Sales Taxes:              |                     |                     |                     |              |              |
| Gross Receipts                                  | \$ 2,669,415        | \$ 2,381,082        | \$ 2,013,548        | \$ 1,975,416 | \$ 2,095,153 |
| Compensating                                    | 78,380              | 56,102              | 48,529              | 46,882       | 71,840       |
| Tobacco (Luxury)                                | 75,424              | 78,368              | 77,887              | 79,819       | 82,348       |
| Alcoholic Beverage                              | 25,295              | 23,811              | 7,376               | 6,732        | 26,263       |
| Insurance                                       | 216,347             | 213,597             | 227,464             | 207,904      | 189,953      |
| Fire Protection                                 | -                   | 1,020               | -                   | 15,069       | 15,156       |
| Racing  | 765                 | 1,084               | 1,096               | 1,130        | 670          |
| Private Car                                     | 931                 | 860                 | 663                 | 703          | 660          |
| Motor Vehicle and Other Excise Tax              | 152,523             | 154,008             | 145,238             | 150,395      | 138,701      |
| Gaming Tax                                      | 64,886              | 62,054              | 59,523              | 63,050       | 70,409       |
| Leased Vehicles Gross Receipts<br>and Surcharge | 5,727               | 5,528               | 5,489               | 5,536        | 5,236        |
| Gasoline Tax                                    | 971                 | 358                 | (380)               | 867          | (1,152)      |
| Telecommunications Relay Surcharge              | 66                  | 58                  | 59                  | 69           | 123          |
| Boat Excise Tax                                 | 282                 | 347                 | 325                 | 195          | 184          |
| Total General and Selective Sales Tax           | 3,291,012           | 2,978,277           | 2,586,817           | 2,553,767    | 2,695,544    |
| Income Taxes:                                   |                     |                     |                     |              |              |
| Gross Withholding                               | 166,318             | 923,665             | 872,299             | 1,200,151    | 1,179,123    |
| Final Settlements                               | 1,500,831           | 614,620             | 504,741             | 508,566      | 535,298      |
| Less:   |                     |                     |                     |              |              |
| Transfer - Retiree Health Care                  | -                   | (26,507)            | -                   | (29,519)     | (26,678)     |
| Transfer - PIT Suspense and Others              | -                   | -                   | -                   | (359,043)    | (355,541)    |
| Net Personal Income Taxes                       | 1,667,149           | 1,511,778           | 1,377,040           | 1,320,155    | 1,332,202    |
| Corporate Taxes                                 | 22,808              | 106,601             | 70,156              | 118,502      | 254,477      |
| Estate Taxes                                    | -                   | -                   | -                   | 1            | 1            |
| Fiduciary Taxes                                 | 4,865               | 7,180               | 3,635               | 7,053        | 7,510        |
| Total Income Taxes                              | 1,694,822           | 1,625,559           | 1,450,831           | 1,445,711    | 1,594,190    |
| Severance Taxes:                                |                     |                     |                     |              |              |
| Oil and Gas School Tax                          | 555,356             | 450,787             | 304,262             | 236,818      | 375,423      |
| 7% Oil Conservation                             | 28,702              | 22,885              | 17,368              | 11,375       | 20,091       |
| Resources Excise                                | 7,834               | 8,569               | 9,649               | 11,203       | 13,345       |
| Natural Gas Processors                          | 15,125              | 10,841              | 10,307              | 20,354       | 18,594       |
| Total Severance Taxes                           | 607,017             | 493,082             | 341,586             | 279,750      | 427,453      |
| Total Taxes                                     | 5,592,851           | 5,096,918           | 4,379,234           | 4,279,228    | 4,717,187    |
| License Fees:                                   |                     |                     |                     |              |              |
| Manufactured Housing                            | 462                 | 432                 | 419                 | 375          | 753          |
| Trade and Professions License                   | -                   | -                   | -                   | -            | -            |
| Corporate Filing                                | 3,881               | 4,042               | 3,437               | 3,327        | 4,020        |
| Alcoholic Beverages and Gaming                  | 4,960               | 4,075               | 4,186               | 4,028        | 3,931        |
| Financial Institutions                          | 3,747               | 3,564               | 3,480               | 3,455        | 3,556        |
| Corporate Special                               | -                   | -                   | 2,984               | 2,955        | 3,308        |
| Construction Industries                         | 4,909               | 5,543               | 4,700               | 6,092        | 6,199        |
| Gaming License and Permit Fees                  | 373                 | 6,365               | 577                 | 353          | 416          |
| Securities Receipts                             | 22,340              | 22,267              | 22,399              | 22,016       | 21,267       |
| Public Utilities                                | 14,493              | 14,538              | 11,021              | 12,040       | 12,129       |
| Pipeline Fees                                   | 242                 | 207                 | 137                 | 153          | 196          |
| Motor Vehicles Miscellaneous Fees               | 596                 | 401                 | -                   | 20           | 100          |
| MVD Penalty Assessments                         | 4,484               | 4,632               | 4,271               | 4,009        | 5,658        |
| Total License Fees                              | 60,487              | 66,066              | 57,611              | 58,823       | 61,533       |
| Total Taxes and License Fees                    | 5,823,972           | 5,658,917           | 5,154,529           | 4,438,057    | 4,340,761    |

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

|  | Fiscal Year   |               |                     |                     |                     |
|--|---------------|---------------|---------------------|---------------------|---------------------|
|  | 2024          | 2023          | 2022<br>as Restated | 2021<br>as Restated | 2019<br>as Restated |
| <b>OTHER REVENUE SOURCES</b>           |               |               |                     |                     |                     |
| Investment Income:                     |               |               |                     |                     |                     |
| State Land Grant Permanent Fund Income | \$ -          | \$ -          | \$ -                | \$ -                | \$ -                |
| Earnings on State Balances             | 390,495       | 181,378       | (118,318)           | 5,348               | 91,751              |
| Severance Tax Permanent Fund Earnings  | -             | -             | -                   | -                   | -                   |
| Total Interest Earnings                | 390,495       | 181,378       | (118,318)           | 5,348               | 91,751              |
| Rents and Royalties:                   |               |               |                     |                     |                     |
| Federal Mineral Leasing                | 2,824,709     | 3,192,349     | 2,256,717           | 811,496             | 817,116             |
| Land Office                            | -             | -             | -                   | -                   | 69,858              |
| Tribal Revenue Sharing                 | 83,597        | 78,163        | 71,434              | 48,166              | 51,677              |
| Total Rents and Royalties              | 2,908,306     | 3,270,512     | 2,328,151           | 859,662             | 938,651             |
| Miscellaneous Receipts and Fees:       |               |               |                     |                     |                     |
| Environment Department Filing Fees     | 30,912        | 996           | 5,370               | 1,847               | 677                 |
| Administrative Fees                    | -             | -             | -                   | 2,728               | -                   |
| Media Lease Payments                   | -             | -             | -                   | -                   | -                   |
| Fines and Forfeitures                  | 2,744         | 2,879         | 2,717               | 2,528               | 3,107               |
| Birth and Death Certificates           | -             | -             | 1,203               | 1,232               | 1,192               |
| District Judge Receipts                | 1,077         | 978           | 812                 | 893                 | 1,010               |
| Notary Public Fees                     | 932           | 923           | (168)               | 653                 | 46                  |
| Legislative Receipts                   | -             | -             | -                   | 591                 | 9                   |
| Workmen's Compensation Fees            | 388           | 660           | 578                 | 751                 | 884                 |
| Health Care Quality Surcharge          | 351           | -             | 36                  | 78                  | 1,096               |
| Law Enforcement Protection             | -             | -             | -                   | -                   | -                   |
| Small County Assistance                | -             | -             | -                   | -                   | -                   |
| Supreme Court Fees                     | -             | -             | -                   | -                   | -                   |
| Unclaimed Property                     | 37,931        | 36,587        | 27,111              | 29,481              | 15,565              |
| Restitution Payments                   | 4,262         | (403)         | 291                 | 251                 | 204                 |
| Total Miscellaneous Receipts and Fees  | 78,597        | 42,620        | 37,949              | 41,034              | 23,790              |
| Other Revenues:                        |               |               |                     |                     |                     |
| Miscellaneous Nonrecurring             | 22            | 30            | 22                  | 482                 | 219                 |
| Transfers - Reversions                 | -             | -             | -                   | -                   | -                   |
| Total Other Revenues                   | 22            | 30            | 22                  | 482                 | 219                 |
| Total Other Revenue Sources            | 3,377,420     | 3,494,540     | 2,247,804           | 2,251,347           | 889,020             |
| Total Revenues                         | \$ 13,051,119 | \$ 12,602,805 | \$ 10,175,182       | \$ 10,178,725       | \$ 8,818,114        |

Source: General Fund Financial Audit (30600) - Schedule of Revenue by Source  
Department of Finance and Administration General Fund Report

Alcohol is down due to sending a portion to the lottery scholarship fund



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

|  | Fiscal Year  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  | 2019         | 2018         | 2017         |              |              |
|  | as Restated  | as Restated  | as Restated  | 2016         | 2015         |
| <b>OTHER REVENUE SOURCES</b>           |              |              |              |              |              |
| Investment Income:                     |              |              |              |              |              |
| State Land Grant Permanent Fund Income | \$ -         | \$ -         | \$ -         | \$ 555,103   | \$ 502,757   |
| Earnings on State Balances             | 86,880       | 5,945        | (3,230)      | 25,224       | 24,160       |
| Severance Tax Permanent Fund Earnings  | -            | -            | -            | 193,510      | 182,723      |
| Total Interest Earnings                | 86,880       | 5,945        | (3,230)      | 773,837      | 709,640      |
| Rents and Royalties:                   |              |              |              |              |              |
| Federal Mineral Leasing                | 1,146,800    | 564,232      | 435,692      | 47,817       | 42,235       |
| Land Office                            | 132,454      | 111,845      | 71,490       | 390,005      | 542,184      |
| Tribal Revenue Sharing                 | 78,430       | 68,092       | 62,717       | 64,413       | 67,178       |
| Total Rents and Royalties              | 1,357,684    | 744,169      | 569,899      | 502,235      | 651,597      |
| Miscellaneous Receipts and Fees:       |              |              |              |              |              |
| Environment Department Filing Fees     | 1,082        | 1,260        | 747          | 1,241        | 4,212        |
| Administrative Fees                    | -            | -            | -            | -            | -            |
| Media Lease Payments                   | -            | -            | 22           | 18           | 19           |
| Fines and Forfeitures                  | 3,563        | 3,932        | 4,241        | 4,514        | 5,241        |
| Birth and Death Certificates           | 1,175        | 1,260        | 1,184        | 1,043        | 1,019        |
| District Judge Receipts                | 1,095        | 1,146        | 1,096        | 947          | 925          |
| Notary Public Fees                     | 683          | 658          | 743          | 984          | 681          |
| Legislative Receipts                   | 22           | 13           | 26           | 14           | 28           |
| Workmen's Compensation Fees            | 699          | 390          | 7            | 3            | 5            |
| Health Care Quality Surcharge          | -            | -            | -            | -            | -            |
| Law Enforcement Protection             | -            | -            | -            | 15,297       | 7,641        |
| Small County Assistance                | -            | -            | -            | 11           | 5,809        |
| Supreme Court Fees                     | 1            | 1            | 1            | 1            | 1            |
| Unclaimed Property                     | 28,089       | 20,113       | 23,030       | 19,789       | 24,644       |
| Restitution Payments                   | 91           | 42           | 176          | 201          | 269          |
| Total Miscellaneous Receipts and Fees  | 36,499       | 28,815       | 31,273       | 44,063       | 50,494       |
| Other Revenues:                        |              |              |              |              |              |
| Miscellaneous Nonrecurring             | 138          | 173          | 970          | 39,616       | 36,136       |
| Transfers - Reversions                 | -            | -            | 366,208      | 56,367       | 59,163       |
| Total Other Revenues                   | 138          | 173          | 367,178      | 95,983       | 95,299       |
| Total Other Revenue Sources            | 1,067,039    | 1,473,552    | 1,148,565    | 706,714      | 1,421,865    |
| Total Revenues                         | \$ 7,372,516 | \$ 7,297,524 | \$ 6,807,482 | \$ 5,861,243 | \$ 5,859,922 |

**STATE OF NEW MEXICO  
REVENUE BASE  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS)**

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| Taxable Gross Receipts (in Thousands):                    |                      |                      |                      |                      |                      |
| Agriculture, Forestry, and Fishing                        | \$ 222,213           | \$ 124,523           | \$ 251,871           | \$ 124,832           | \$ 175,237           |
| Mining  | 11,600,049           | 11,073,103           | 7,969,653            | 3,883,084            | 7,310,833            |
| Construction  | 12,739,548           | 11,100,617           | 9,027,400            | 6,612,931            | 10,989,995           |
| Manufacturing   | 3,695,215            | 3,147,379            | 3,649,339            | 1,549,363            | 2,306,998            |
| Transportation  | 1,641,185            | 1,537,645            | 1,499,545            | 846,609              | 1,187,865            |
| Communications and Utilities                              | 3,035,958            | 3,235,541            | 4,589,831            | 3,723,750            | 6,120,717            |
| Wholesale Trade   | 4,526,408            | 4,507,202            | 2,290,375            | 2,211,281            | 3,648,654            |
| Retail Trade  | 20,289,023           | 19,520,364           | 17,011,431           | 11,334,814           | 16,425,084           |
| Finance, Insurance, and Real Estate                       | 3,264,226            | 2,945,664            | 2,511,559            | 1,677,853            | 2,582,843            |
| Services and Other  | 7,289,089            | 6,488,255            | 27,328,590           | 19,425,400           | 30,267,240           |
| Public Administration                                     | 101,573              | 52,116               | 27,645               | 535,586              | 883,472              |
| Total Taxable Gross Receipts                              | <u>\$ 68,404,487</u> | <u>\$ 63,732,409</u> | <u>\$ 76,157,239</u> | <u>\$ 51,925,503</u> | <u>\$ 81,898,938</u> |
| State Gross Receipts Tax Rate                             | 5.1%                 | 5.1%                 | 5.1%                 | 5.1%                 | 5.1%                 |
| Personal Income by Industry (in Millions):                |                      |                      |                      |                      |                      |
| Federal Civilian  | \$ 4,020             | \$ 3,750             | \$ 4,103             | \$ 3,605             | \$ 3,397             |
| Federal Military  | 1,853                | 1,708                | 1,836                | 1,556                | 1,459                |
| State and Local Government                                | 12,176               | 11,454               | 13,522               | 10,572               | 10,470               |
| Farm Earnings   | 1,062                | 884                  | 1,527                | 1,227                | 1,036                |
| Forestry, Fishing, and Related Activities                 | 182                  | 159                  | 181                  | 176                  | 170                  |
| Mining  | 3,853                | 2,962                | 4,109                | 2,104                | 2,656                |
| Utilities   | 548                  | 559                  | 842                  | 566                  | 522                  |
| Construction  | 4,895                | 3,926                | 4,132                | 3,981                | 4,001                |
| Manufacturing   | 2,688                | 2,466                | 3,123                | 2,212                | 2,210                |
| Wholesale Trade   | 1,881                | 1,744                | 1,856                | 1,533                | 1,569                |
| Retail  | 4,490                | 4,361                | 5,632                | 4,048                | 3,669                |
| Transportation and Warehousing                            | 2,396                | 2,151                | 2,632                | 1,821                | 1,858                |
| Information   | 1,074                | 1,056                | 1,863                | 875                  | 829                  |
| Financial, Insurance, Real Estate,<br>Rental, and Leasing | 4,528                | 4,334                | 3,696                | 3,325                | 3,094                |
| Services  | 20,164               | 332                  | 24,562               | 22,874               | 21,959               |
| Other'  | 51,020               | 58,985               | 47,233               | 41,089               | 35,532               |
| Total Personal Income                                     | <u>\$ 116,830</u>    | <u>\$ 100,831</u>    | <u>\$ 120,849</u>    | <u>\$ 101,564</u>    | <u>\$ 94,431</u>     |
| 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          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| <b>Taxable Gross Receipts (in Thousands):</b>             |                      |                      |                      |                      |                      |
| Agriculture, Forestry, and Fishing                        | \$ 126,252           | \$ 126,940           | \$ 111,430           | \$ 106,156           | \$ 84,720            |
| Mining  | 6,815,136            | 4,834,724            | 2,213,846            | 2,328,158            | 4,144,544            |
| Construction  | 8,027,002            | 7,428,957            | 6,312,982            | 6,537,914            | 6,331,176            |
| Manufacturing   | 2,084,012            | 1,617,171            | 1,315,416            | 1,607,798            | 2,238,013            |
| Transportation  | 1,175,605            | 836,920              | 571,482              | 668,207              | 867,443              |
| Communications and Utilities                              | 5,384,324            | 5,161,295            | 4,673,015            | 5,281,589            | 5,134,386            |
| Wholesale Trade   | 3,529,917            | 2,698,455            | 1,786,231            | 2,030,984            | 2,544,689            |
| Retail Trade  | 14,780,421           | 13,041,456           | 11,045,865           | 12,063,308           | 12,553,764           |
| Finance, Insurance, and Real Estate                       | 2,338,187            | 2,032,733            | 1,559,574            | 1,613,419            | 1,630,999            |
| Services and Other  | 26,756,441           | 22,338,845           | 17,675,223           | 19,824,081           | 19,219,587           |
| Public Administration                                     | 901,867              | 425,736              | 587,747              | 665,833              | 673,442              |
| <b>Total Taxable Gross Receipts</b>                       | <b>\$ 71,919,164</b> | <b>\$ 60,543,232</b> | <b>\$ 47,852,811</b> | <b>\$ 52,727,447</b> | <b>\$ 55,422,763</b> |
| <b>State Gross Receipts Tax Rate</b>                      | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          |
| <b>Personal Income by Industry (in Millions):</b>         |                      |                      |                      |                      |                      |
| Federal Civilian  | \$ 3,335             | \$ 3,373             | \$ 3,220             | \$ 3,103             | \$ 3,110             |
| Federal Military  | 1,398                | 1,323                | 1,321                | 1,265                | 1,215                |
| State and Local Government                                | 9,976                | 9,596                | 9,379                | 9,836                | 9,860                |
| Farm Earnings   | 767                  | 793                  | 889                  | 664                  | 1,088                |
| Forestry, Fishing, and Related Activities                 | 169                  | 163                  | 170                  | 142                  | 145                  |
| Mining  | 3,013                | 2,638                | 2,532                | 2,393                | 3,035                |
| Utilities   | 511                  | 490                  | 490                  | 533                  | 503                  |
| Construction  | 3,659                | 3,474                | 3,368                | 3,146                | 3,111                |
| Manufacturing   | 1,868                | 1,717                | 1,372                | 1,606                | 2,118                |
| Wholesale Trade   | 1,538                | 1,456                | 1,517                | 1,491                | 1,442                |
| Retail  | 3,599                | 3,549                | 3,667                | 3,670                | 3,546                |
| Transportation and Warehousing                            | 1,713                | 1,578                | 1,550                | 1,503                | 1,569                |
| Information   | 914                  | 845                  | 812                  | 859                  | 927                  |
| Financial, Insurance, Real Estate,<br>Rental, and Leasing | 2,855                | 2,721                | 2,732                | 2,652                | 2,725                |
| Services  | 21,462               | 20,359               | 19,782               | 19,465               | 18,166               |
| Other'  | 32,843               | 30,596               | 27,992               | 28,063               | 27,490               |
| <b>Total Personal Income</b>                              | <b>\$ 89,620</b>     | <b>\$ 84,671</b>     | <b>\$ 80,793</b>     | <b>\$ 80,391</b>     | <b>\$ 80,050</b>     |
| <b>Highest Income Tax Rate</b>                            | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          |

**STATE OF NEW MEXICO**  
**REVENUE PAYERS BY INDUSTRY – TAXABLE SALES, SERVICES, AND USE TAX PURCHASES**  
**MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**  
**(IN THOUSANDS)**

|  | Fiscal Year 2024  |                  |                        |                  | Calendar Year 2016 |                  |                        |                  |
|--|-------------------|------------------|------------------------|------------------|--------------------|------------------|------------------------|------------------|
|  | 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                       | 11,370            | 0.5%             | \$ 222,213             | 0.3%             | 4,086              | 0.4%             | \$ 54,047              | 0.1%             |
| Mining   | 23,738            | 0.9%             | 11,600,049             | 17.1%            | 9,752              | 1.0%             | 2,998,455              | 7.7%             |
| Construction   | 162,389           | 6.4%             | 12,739,548             | 18.8%            | 101,298            | 10.6%            | 4,257,409              | 10.9%            |
| Manufacturing  | 305,112           | 12.0%            | 3,695,216              | 5.5%             | 42,542             | 4.4%             | 1,607,519              | 4.1%             |
| Transportation   | 32,572            | 1.3%             | 1,641,185              | 2.4%             | 13,402             | 1.4%             | 543,996                | 1.4%             |
| Communications and Utilities                             | 14,052            | 0.6%             | 5,108,219              | 7.5%             | 7,309              | 0.8%             | 1,908,054              | 4.9%             |
| Wholesale Trade  | 328,463           | 12.9%            | 4,526,408              | 6.7%             | 53,838             | 5.6%             | 1,790,115              | 4.6%             |
| Retail Trade   | 1,251,667         | 49.2%            | 20,289,023             | 29.8%            | 198,243            | 20.7%            | 9,268,342              | 23.7%            |
| Finance, Insurance, and Real Estate                      | 135,750           | 5.3%             | 556,420                | 0.8%             | 46,800             | 4.9%             | 1,106,612              | 2.8%             |
| Services and Other                                       | 275,683           | 10.8%            | 7,289,089              | 10.7%            | 479,048            | 50.1%            | 15,112,166             | 38.7%            |
| Public Administration                                    | 1,908             | 0.1%             | 101,573                | 0.1%             | 1,922              | 0.2%             | 378,243                | 1.0%             |
| Total Number of Outlets and Total Taxable Gross Revenues | <u>2,542,704</u>  | <u>100.0%</u>    | <u>\$ 67,768,943</u>   | <u>99.7%</u>     | <u>958,240</u>     | <u>100.1%</u>    | <u>\$ 39,024,958</u>   | <u>99.9%</u>     |
| State Gross Receipts Tax Rate                            | 5.1%              |                  |                        |                  | 5.1%               |                  |                        |                  |

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              |                  |                     |                  | 2022*             |                  |                     |                  |
|-----------------------|-------------------|------------------|---------------------|------------------|-------------------|------------------|---------------------|------------------|
|                       | Number of Returns | Percent of Total | Personal Income Tax | Percent of Total | Number of Returns | Percent of Total | Personal Income Tax | Percent of Total |
| \$200,000 and Higher  | 19,740            | 2.2%             | \$ 1,867,483        | 40.9%            | 12,497            | 7.8%             | \$ 6,740,698        | 40.9%            |
| \$100,000 - \$199,999 | 77,390            | 8.5%             | 1,162,986           | 25.4%            | 25,887            | 16.0%            | 3,567,047           | 21.7%            |
| \$75,000 - \$99,999   | 67,740            | 7.5%             | 515,691             | 11.3%            | 15,181            | 9.4%             | 1,315,619           | 8.0%             |
| \$50,000 - \$74,999   | 112,210           | 12.4%            | 536,639             | 11.7%            | 23,805            | 14.8%            | 1,466,486           | 8.9%             |
| \$49,999 and Lower    | 628,280           | 69.4%            | 488,835             | 10.7%            | 83,965            | 52.0%            | 3,375,052           | 20.5%            |
| Total                 | 905,360           | 100.0%           | \$ 4,571,634        | 100.0%           | 161,335           | 100.0%           | \$ 16,464,902       | 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<br>Tax<br>Rate | Top Income Tax Rate is Applied to<br>Taxable Income in Excess of |                              |                      | Average<br>Effective<br>Rate,<br>As Restated |
|------|--------------------|--|------------------------------|----------------------|--|
|      |                    | Single   | Married<br>Filing<br>Jointly | Head of<br>Household |  |
| 2024 | 4.9%               | \$ 16,000  | \$ 24,000                    | \$ 24,000            | N/A  |
| 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  |

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         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                | 2023                | 2022                | 2021                | 2020<br>as Restated |
| Governmental Activities:                |                     |                     |                     |                     |                     |
| General Obligation                      | \$ 447,170          | \$ 541,270          | \$ 414,365          | \$ 505,295          | \$ 421,700          |
| Severance Tax Bonds                     | 1,091,095           | 1,268,165           | 1,110,570           | 964,035             | 680,245             |
| Revenue Bonds                           | 737,705             | 892,555             | 1,053,950           | 958,018             | 1,094,670           |
| Bond Premium, Discount, Net *           | 243,886             | 196,781             | 318,871             | 292,066             | 223,793             |
| Lease Liabilities**                     | 536,710             | 529,058             | 436,734             | -                   | -                   |
| Total Governmental Activities           | 3,056,566           | 3,427,829           | 3,334,490           | 2,719,414           | 2,420,407           |
| Business-Type Activities*:              |                     |                     |                     |                     |                     |
| General Obligation                      | 18,275              | 720                 | 1,260               | 2,130               | -                   |
| Revenue Bonds                           | 605,283             | 706,907             | 736,312             | 788,814             | 823,419             |
| Bond Premium, Discount, Net*            | 23,944              | -                   | 23,788              | 28,564              | 39,278              |
| Lease Liabilities**                     | 55,587              | -                   | 54,106              | 173                 | 546                 |
| Total Primary Government                | 684,814             | 706,907             | 814,207             | 817,551             | 863,243             |
| Total Debt                              | <u>\$ 3,741,380</u> | <u>\$ 4,134,736</u> | <u>\$ 4,148,697</u> | <u>\$ 3,536,965</u> | <u>\$ 3,283,651</u> |
| New Mexico Personal Income              | \$ 123,207,200      | \$ 103,237,501      | \$ 103,237,501      | \$ 102,375,900      | \$ 101,386,400      |
| Debt as a Percentage of Personal Income | 3.0%                | 4.0%                | 4.0%                | 3.5%                | 3.2%                |
| New Mexico Population                   | 2,130               | 2,113               | 2,113               | 2,116               | 2,101               |
| General Obligation Debt Per Capita      | \$ 210              | \$ 256              | \$ 196              | \$ 239              | \$ 201              |
| Total Long-Term Debt Per Capita         | \$ 1,757            | \$ 1,956            | \$ 1,963            | \$ 1,672            | \$ 1,563            |

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         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2019                | 2018                | 2017                | 2016                | 2015                |
|   | as Restated         | as Restated         | as Restated         | as Restated         | as Restated         |
| Governmental Activities:                |                     |                     |                     |                     |                     |
| General Obligation                      | \$ 350,925          | \$ 260,760          | \$ 260,760          | \$ 389,270          | \$ 311,270          |
| Severance Tax Bonds                     | 814,370             | 876,115             | 876,115             | 641,415             | 760,080             |
| Revenue Bonds                           | 1,221,323           | 1,367,542           | 1,367,542           | 1,558,689           | 1,520,839           |
| Bond Premium, Discount, Net *           | 257,989             | 237,638             | 237,638             | 257,935             | -                   |
| Lease Liabilities**                     | -                   | -                   | -                   | -                   | -                   |
| Total Governmental Activities           | <u>2,644,607</u>    | <u>2,742,055</u>    | <u>2,742,055</u>    | <u>2,847,309</u>    | <u>2,592,189</u>    |
| Business-Type Activities*:              |                     |                     |                     |                     |                     |
| General Obligation                      | -                   | -                   | -                   | -                   | -                   |
| Revenue Bonds                           | 865,272             | 869,404             | 869,404             | 763,824             | 808,463             |
| Bond Premium, Discount, Net*            | 41,791              | 46,147              | 43,961              | 42,649              | 31,519              |
| Lease Liabilities**                     | 938                 | 1,054               | 1,054               | 1,502               | 1,919               |
| Total Primary Government                | <u>908,001</u>      | <u>916,605</u>      | <u>914,419</u>      | <u>807,975</u>      | <u>841,901</u>      |
| Total Debt                              | <u>\$ 3,552,608</u> | <u>\$ 3,658,660</u> | <u>\$ 3,656,474</u> | <u>\$ 3,655,284</u> | <u>\$ 3,434,090</u> |
| <br>New Mexico Personal Income          | <br>\$ 86,328,400   | <br>\$ 81,483,543   | <br>\$ 81,483,543   | <br>\$ 79,104,093   | <br>\$ 76,449,091   |
| Debt as a Percentage of Personal Income | 4.1%                | 4.5%                | 4.5%                | 4.6%                | 4.5%                |
| New Mexico Population                   | 2,095               | 2,088               | 2,088               | 2,080               | 2,083               |
| General Obligation Debt Per Capita      | \$ 167              | \$ 125              | \$ 125              | \$ 187              | \$ 149              |
| Total Long-Term Debt Per Capita         | \$ 1,675            | \$ 1,752            | \$ 1,751            | \$ 1,757            | \$ 1,649            |



**STATE OF NEW MEXICO  
LONG TERM LIABILITIES  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| <b>Governmental Activities:</b>                           |                      |                      |                      |                      |                      |
| General Obligation Bonds                                  | \$ 447,170           | \$ 541,270           | \$ 414,365           | \$ 505,295           | \$ 421,700           |
| Severance Tax Bonds                                       | 1,091,095            | 1,268,165            | 1,110,570            | 964,035              | 680,245              |
| Revenue Bonds   | 737,705              | 908,875              | 1,053,950            | 958,018              | 1,094,669            |
| Bond Premium, Discount, Net *                             | 243,886              | 309,549              | 318,871              | 292,066              | 223,794              |
| Notes Payable   | -                    | -                    | -                    | -                    | -                    |
| Deferred Loss on Refunding, Net *                         | -                    | -                    | -                    | -                    | -                    |
| Claims and Judgments                                      | 478,005              | 235,940              | 206,032              | 167,336              | 152,392              |
| Hedging Derivatives - Interest Rate Swaps                 | -                    | -                    | -                    | -                    | -                    |
| Native American Water Settlement Liability **             | 23,753               | 46,757               | 51,291               | 70,543               | 91,543               |
| Contingent Liabilities                                    | 29,792               | -                    | 20,900               | -                    | 22                   |
| Compensated Absences                                      | 110,423              | 101,383              | 97,508               | 94,674               | 83,605               |
| Pollution Remediation Obligation                          | 58,336               | 53,733               | 41,608               | 41,067               | 41,666               |
| Net Pension Liability                                     | 4,177,698            | 3,960,251            | 3,043,770            | 3,953,370            | 3,429,456            |
| Net OPEB Liability  | 399,639              | 543,772              | 782,224              | 994,857              | 774,289              |
| Reserve for Losses  | -                    | -                    | -                    | -                    | -                    |
| Lease Liabilities   | 536,710              | 529,020              | 436,734              | -                    | -                    |
| Other Liabilities   | 51,948               | 17,090               | 550,945              | 648,370              | 578,826              |
| <b>Total Governmental Activities</b>                      | <b>8,386,161</b>     | <b>8,515,806</b>     | <b>8,128,768</b>     | <b>8,689,631</b>     | <b>7,572,207</b>     |
| <b>Business-Type Activities:</b>                          |                      |                      |                      |                      |                      |
| Revenue Bonds   | 623,558              | 672,469              | 736,314              | 788,814              | 823,419              |
| Bond Premium, Discount, Net *                             | 23,944               | 27,257               | 23,785               | 28,568               | 39,279               |
| Compensated Absences                                      | 116,897              | 112,446              | 107,556              | 113,414              | 99,083               |
| Reserve for Losses  | 131,615              | 110,900              | 104,813              | 107,531              | 101,940              |
| Notes Payable   | 9,550                | 11,993               | 8,235                | 9,325                | 13,506               |
| Insurance Claims Payable                                  | 12,193               | 8,151                | 11,651               | 5,662                | 9,953                |
| Net OPEB Obligation                                       | 366,503              | 370,945              | 397,667              | 424,370              | 385,030              |
| Derivative Instruments - Interest Rate Swaps              | 563                  | 1,059                | 2,129                | 6,001                | 8,375                |
| Student Loans   | 7,691                | 8,421                | 9,433                | 11,371               | 12,069               |
| Environmental Cleanup                                     | 5,434                | 5,434                | 5,434                | 5,434                | 5,434                |
| Net Pension Liability                                     | 2,313,867            | 2,301,724            | 1,982,851            | 5,511,724            | 2,188,285            |
| Lease Liabilities   | 55,587               | 66,109               | 54,106               | 173                  | 546                  |
| Other Liabilities   | 409,306              | 322,564              | 207,474              | 198,810              | 174,049              |
| <b>Total Business-Type Activities</b>                     | <b>4,076,706</b>     | <b>4,019,470</b>     | <b>3,651,448</b>     | <b>7,211,197</b>     | <b>3,860,969</b>     |
| <b>Total Primary Government<br/>Long-Term Liabilities</b> | <b>\$ 12,462,867</b> | <b>\$ 12,535,276</b> | <b>\$ 11,780,216</b> | <b>\$ 15,900,828</b> | <b>\$ 11,433,175</b> |

## Notes to Schedule:

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          |                     |                     |                     |                     |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2019                 | 2018<br>As Restated | 2017                | 2016                | 2015<br>As Restated |
| <b>Governmental Activities:</b>                           |                      |                     |                     |                     |                     |
| General Obligation Bonds                                  | \$ 350,925           | \$ 260,760          | \$ 326,755          | \$ 429,764          | \$ 311,270          |
| Severance Tax Bonds                                       | 814,370              | 876,115             | 955,045             | 641,415             | 760,080             |
| Revenue Bonds   | 1,221,323            | 1,367,542           | 1,281,950           | 1,423,069           | 1,520,839           |
| Bond Premium, Discount, Net *                             | 257,988              | 200,994             | 279,305             | 217,441             | 252,771             |
| Notes Payable   | 1,250                | -                   | 14,000              | 5,755               | 1,581               |
| Deferred Loss on Refunding, Net *                         | -                    | -                   | -                   | 100,167             | 96,042              |
| Claims and Judgments                                      | 166,593              | 180,149             | 195,471             | 100,461             | 259,855             |
| Hedging Derivatives - Interest Rate Swaps                 | -                    | 84,090              | 119,015             | 100,167             | 96,042              |
| Native American Water Settlement Liability **             | 69,706               | 60,850              | 62,100              | 287,910             | -                   |
| Contingent Liabilities                                    | 29,516               | 3,678               | 20,051              | -                   | -                   |
| Compensated Absences                                      | 68,795               | 63,982              | 64,051              | 58,112              | 62,339              |
| Pollution Remediation Obligation                          | 27,457               | 42,651              | 44,278              | 287,910             | 47,129              |
| Net Pension Liability                                     | 3,341,570            | 3,264,743           | 2,299,659           | 1,843,467           | -                   |
| Net OPEB Liability  | 1,035,068            | -                   | -                   | -                   | -                   |
| Reserve for Losses  | -                    | -                   | -                   | -                   | 100,000             |
| Lease Liabilities   | -                    | 51,690              | 53,045              | 53,199              | -                   |
| Other Liabilities   | 451,647              | -                   | -                   | 52,307              | 212,200             |
| <b>Total Governmental Activities</b>                      | <b>7,836,208</b>     | <b>6,457,243</b>    | <b>5,714,725</b>    | <b>5,601,144</b>    | <b>3,720,148</b>    |
| <b>Business-Type Activities:</b>                          |                      |                     |                     |                     |                     |
| Revenue Bonds   | 865,272              | 899,736             | 653,372             | 695,552             | 808,463             |
| Bond Premium, Discount, Net *                             | 41,791               | 43,960              | 42,649              | 31,519              | 15,429              |
| Compensated Absences                                      | 87,588               | 86,356              | 84,906              | 20,853              | 80,180              |
| Reserve for Losses  | 98,169               | 89,501              | 87,453              | -                   | 69,988              |
| Notes Payable   | 11,285               | 12,985              | 14,051              | -                   | -                   |
| Insurance Claims Payable                                  | -                    | -                   | -                   | -                   | -                   |
| Net OPEB Obligation                                       | 432,298              | 67,969              | 61,333              | -                   | -                   |
| Derivative Instruments - Interest Rate Swaps              | 7,186                | 8,604               | 13,350              | -                   | -                   |
| Student Loans   | 15,060               | 15,726              | 18,592              | -                   | -                   |
| Environmental Cleanup                                     | 5,434                | 5,434               | 5,434               | -                   | -                   |
| Net Pension Liability                                     | 3,485,718            | 2,125,341           | 1,913,152           | -                   | -                   |
| Lease Liabilities   | 938                  | 1,054               | 1,308               | 1,023               | 1,919               |
| Other Liabilities   | 56,714               | 11,076              | -                   | 56,579              | 184,094             |
| <b>Total Business-Type Activities</b>                     | <b>5,107,453</b>     | <b>3,367,742</b>    | <b>2,895,600</b>    | <b>805,526</b>      | <b>1,160,073</b>    |
| <b>Total Primary Government<br/>Long-Term Liabilities</b> | <b>\$ 12,943,661</b> | <b>\$ 9,824,984</b> | <b>\$ 8,610,325</b> | <b>\$ 6,406,670</b> | <b>\$ 4,880,221</b> |

**STATE OF NEW MEXICO  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2024              | 2023              | 2022              | 2021              | 2020              |
| Net Taxable Value of Property Subject to Taxation   | \$ 108,183,361    | \$ 88,517,562     | \$ 88,883,819     | \$ 70,313,555     | \$ 70,648,048     |
| Statutory Debt Limit                                | 1.0%              | 1.0%              | 1.0%              | 1.0%              | 1.0%              |
| Debt Limit Amount                                   | 1,081,834         | 885,176           | 888,838           | 703,136           | 706,480           |
| General Obligation Bonds                            | 309,913           | 541,220           | 414,365           | 505,295           | 260,760           |
| Total General Debt Outstanding                      | 309,913           | 541,220           | 414,365           | 505,295           | 260,760           |
| Legal Debt Margin                                   | <u>\$ 771,921</u> | <u>\$ 343,956</u> | <u>\$ 474,473</u> | <u>\$ 197,841</u> | <u>\$ 445,720</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 71.4%             | 38.9%             | 53.4%             | 28.1%             | 63.1%             |

Note to Schedule:

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       |                   |                     |                   |                   |
|---|-------------------|-------------------|---------------------|-------------------|-------------------|
|   | 2019              | 2018              | 2017<br>As Restated | 2016              | 2015              |
| Net Taxable Value of Property Subject to Taxation   | \$ 66,919,238     | \$ 60,698,949     | \$ 57,451,756       | \$ 56,625,171     | \$ 58,412,965     |
| Statutory Debt Limit                                | 1.0%              | 1.0%              | 1.0%                | 1.0%              | 1.0%              |
| Debt Limit Amount                                   | 669,192           | 606,989           | 574,518             | 566,252           | 584,130           |
| General Obligation Bonds                            | 326,755           | 389,270           | 311,270             | 372,700           | 296,890           |
| Total General Debt Outstanding                      | 326,755           | 389,270           | 311,270             | 372,700           | 296,890           |
| Legal Debt Margin                                   | <u>\$ 342,437</u> | <u>\$ 217,719</u> | <u>\$ 263,248</u>   | <u>\$ 193,552</u> | <u>\$ 287,240</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 51.2%             | 35.9%             | 45.8%               | 34.2%             | 49.2%             |

**STATE OF NEW MEXICO  
STATUTORY DEBT LIMIT  
SEVERANCE TAX BONDS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|   | Fiscal Year  |              |              |            |            |
|---|--------------|--------------|--------------|------------|------------|
|   | 2024         | 2023         | 2022         | 2021       | 2020       |
| Annual Deposits into Severance Tax Bonding Fund     | \$ 2,236,814 | \$ 2,410,670 | \$ 2,153,990 | \$ 870,761 | \$ 646,300 |
| 50.0% of Annual Deposits                            | 1,118,407    | 1,205,335    | 1,076,995    | 435,381    | 323,150    |
| Statutory Debt Limit Amount                         | 1,118,407    | 1,205,335    | 1,076,995    | 435,381    | 323,150    |
| Senior Bond Servicing Amount *                      | 226,530      | 226,530      | 208,274      | 428,500    | 146,965    |
| Statutory Debt Margin Amount                        | \$ 891,877   | \$ 978,805   | \$ 868,721   | \$ 6,881   | \$ 176,185 |
| Statutory Debt Margin as a Percentage of Debt Limit | 79.7%        | 81.2%        | 80.7%        | 1.6%       | 54.5%      |

## Notes to Schedule:

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       |                   |                  |                   |                  |
|--|-------------------|-------------------|------------------|-------------------|------------------|
|  | 2019              | 2018              | 2017             | 2016              | 2015             |
| Annual Deposits into Severance Tax<br>Bonding Fund     | \$ 672,441        | \$ 511,115        | \$ 342,317       | \$ 254,966        | \$ 426,331       |
| 50.0% of Annual Deposits                               | 336,221           | 255,558           | 171,159          | 127,483           | 213,166          |
| Statutory Debt Limit Amount                            | 336,221           | 255,558           | 171,159          | 127,483           | 213,166          |
| Senior Bond Servicing Amount *                         | 129,737           | 142,160           | 144,766          | 16,489            | 129,042          |
| Statutory Debt Margin Amount                           | <u>\$ 206,484</u> | <u>\$ 113,398</u> | <u>\$ 26,393</u> | <u>\$ 110,994</u> | <u>\$ 84,124</u> |
| Statutory Debt Margin as a Percentage of<br>Debt Limit | 61.4%             | 44.4%             | 15.4%            | 87.1%             | 39.5%            |

**STATE OF NEW MEXICO  
PLEDGED REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year   | Pledged              | Annual Debt Service |           | Coverage |
|---|----------------------|---------------------|-----------|----------|
|   | Revenues<br>Received | Principal           | Interest  |          |
| Severance Tax Bonds (Including Supplemental Subordinate Liens): |                      |                     |           |          |
| 2024  | \$ 2,410,670         | \$ 135,715          | \$ 44,914 | 13.3     |
| 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      |
| Highway Infrastructure Bonds:                                   |                      |                     |           |          |
| 2024  | \$ 171,236           | \$ -                | \$ 2,778  | 61.6     |
| 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      |
| Energy and Minerals Bonds:                                      |                      |                     |           |          |
| 2024  | \$ -                 | \$ -                | \$ -      | 0.0      |
| 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      |

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<br>Revenues<br>Received | Annual Debt Service |          | Coverage |
|--------------------------------------|---------------------------------|---------------------|----------|----------|
|                                      |                                 | Principal           | Interest |          |
| Cultural Affairs Bonds and Loan:     |                                 |                     |          |          |
| 2024                                 | \$ 509                          | \$ 0                | \$ 0     | 0.0      |
| 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      |
| Miners' Colfax Medical Center Bonds: |                                 |                     |          |          |
| 2024                                 | \$ 4,740                        | \$ 1,170            | \$ 174   | 3.5      |
| 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      |
| State Fair (EXPO) Bonds:             |                                 |                     |          |          |
| 2024                                 | \$ -                            | \$ -                | \$ -     | 0.0      |
| 2023                                 | -                               | -                   | -        | 0.0      |
| 2022                                 | -                               | -                   | -        | 0.0      |
| 2021                                 | -                               | -                   | -        | 0.0      |
| 2020                                 | -                               | -                   | -        | 0.0      |
| 2019                                 | -                               | -                   | -        | 0.0      |
| 2018                                 | -                               | -                   | -        | 0.0      |
| 2017                                 | 448                             | 689                 | 12       | 0.6      |
| 2016                                 | 1,070                           | 687                 | 36       | 1.5      |
| 2015                                 | 1,070                           | 628                 | 70       | 1.5      |
| Spaceport Authority Bonds:           |                                 |                     |          |          |
| 2024                                 | \$ 11,389                       | \$ 4,421            | \$ 200   | 2.5      |
| 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<br>Revenues<br>Received | Annual Debt Service |          | Coverage |
|---|---------------------------------|---------------------|----------|----------|
|   |                                 | Principal           | Interest |          |
| Bernalillo County Metropolitan Court:     |                                 |                     |          |          |
| 2024                                      | \$ 5,382                        | \$ 3,570            | \$ 366   | 1.4      |
| 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:                 |                                 |                     |          |          |
| 2024                                      | \$ -                            | \$ -                | \$ -     | 0.0      |
| 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: |                                 |                     |          |          |
| 2024                                      | \$ -                            | \$ -                | \$ -     |          |
| 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:              |                                 |                     |          |          |
| 2024                                      | \$ 12,140                       | \$ 6,319            | \$ 5,694 | 1.0      |
| 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      |
| 2018                                      | 16,100                          | 5,019               | 7,139    | 1.3      |

**STATE OF NEW MEXICO  
DEMOGRAPHIC AND ECONOMIC INDICATORS  
LAST TEN FISCAL YEARS**

| Year | Population | Personal Income    | Per Capita<br>Personal<br>Income | Median<br>Age | * Percent High<br>School Grad<br>or Higher<br>(Pop=25 Yrs & >) | Public<br>School<br>Enrollment |
|------|------------|--------------------|----------------------------------|---------------|--|--------------------------------|
| 2024 | 2,130,256  | \$ 123,207,200,000 | \$ 55,343                        | 39.4          | 86.8   | 309,093                        |
| 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                        |

## Notes to Schedule:

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

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

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](http://www.ped.state.nm.us)

**STATE OF NEW MEXICO  
PRINCIPAL EMPLOYERS  
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**

| Entity Name  | Calendar Year 2024* |      |                          | Calendar Year 2018** |      |                          |
|--|---------------------|------|--------------------------|----------------------|------|--------------------------|
|  | Number of Employees | Rank | Percent of All Employees | Number of Employees  | Rank | Percent of All Employees |
| State of New Mexico (Total Offices, Departments, etc.) | 31,100              | 1    | 3.4%                     | 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%                     | 14,725               | 3    | 1.7%                     |
| Los Alamos National Laboratories                       | 14,150              | 5    | 1.6%                     | 14,150               | 8    | 1.6%                     |
| UNM University   | 11,875              | 6    | 1.3%                     | 11,875               | 6    | 1.4%                     |
| 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                 | 148,050             |      | 16.4%                    | 120,356              |      | 13.8%                    |

## Notes to Schedule:

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.

Source: NM Partnership - New Mexico Largest Employers

**STATE OF NEW MEXICO  
COMPOSITION OF LABOR FORCE  
LAST TEN CALENDAR YEARS**

|                                     | Calendar Year |         |         |         |         |
|-------------------------------------|---------------|---------|---------|---------|---------|
|                                     | 2024          | 2023    | 2022    | 2021    | 2020    |
| Nonagricultural Jobs:               |               |         |         |         |         |
| Government                          | 190,800       | 190,800 | 184,800 | 173,800 | 186,300 |
| Mining                              | 23,700        | 24,100  | 21,000  | 18,800  | 18,600  |
| Construction                        | 54,600        | 53,200  | 52,600  | 51,100  | 49,500  |
| Manufacturing                       | 30,200        | 30,700  | 29,400  | 29,600  | 26,300  |
| Trade, Transportation and Utilities | 145,800       | 146,500 | 139,900 | 139,000 | 135,400 |
| Information                         | 8,800         | 10,400  | 9,800   | 8,200   | 9,900   |
| Financial Activity                  | 35,500        | 33,500  | 32,500  | 33,800  | 32,300  |
| Professional and Business Services  | 122,600       | 113,600 | 116,400 | 113,100 | 107,800 |
| Education and Health Services       | 145,400       | 149,500 | 146,900 | 137,100 | 135,600 |
| Leisure and Hospitality             | 106,200       | 99,100  | 99,300  | 94,600  | 67,600  |
| Other Services                      | 30,200        | 28,200  | 27,600  | 28,400  | 25,900  |
| Total Nonagricultural Jobs          | 893,800       | 879,600 | 860,200 | 827,500 | 795,200 |
| Civilian Labor Force                | 974,627       | 969,463 | 938,167 | 969,048 | 960,100 |
| Total Employed                      | 935,535       | 930,977 | 901,310 | 913,408 | 877,700 |
| Unemployed                          | 39,092        | 38,486  | 36,857  | 55,640  | 82,400  |
| Unemployment Rate                   | 4.0%          | 4.0%    | 3.9%    | 4.8%    | 8.6%    |
| Seasonally Adjusted Rate            | 4.0%          | 4.0%    | 3.7%    | 5.8%    | 8.6%    |

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 |         |         |                     |                     |
|-------------------------------------|---------------|---------|---------|---------------------|---------------------|
|                                     | 2019          | 2018    | 2017    | 2016<br>as Restated | 2015<br>as Restated |
| Nonagricultural Jobs:               |               |         |         |                     |                     |
| Government                          | 190,300       | 183,600 | 186,500 | 188,900             | 189,300             |
| Mining                              | 26,300        | 20,300  | 20,800  | 19,800              | 25,600              |
| Construction                        | 52,200        | 46,900  | 45,700  | 43,400              | 43,500              |
| Manufacturing                       | 27,700        | 26,900  | 26,400  | 26,900              | 27,800              |
| Trade, Transportation and Utilities | 140,900       | 136,300 | 136,600 | 138,700             | 139,600             |
| Information                         | 11,300        | 11,100  | 12,300  | 13,000              | 12,700              |
| Financial Activity                  | 36,000        | 34,700  | 34,000  | 33,500              | 33,300              |
| Professional and Business Services  | 109,900       | 103,200 | 104,300 | 101,300             | 99,700              |
| Education and Health Services       | 144,000       | 140,200 | 139,000 | 138,200             | 133,300             |
| Leisure and Hospitality             | 99,800        | 94,700  | 96,400  | 95,500              | 93,100              |
| Other Services                      | 27,900        | 27,600  | 28,600  | 28,500              | 28,500              |
| Total Nonagricultural Jobs          | 866,300       | 825,500 | 830,600 | 827,700             | 826,400             |
| Civilian Labor Force                | 966,624       | 949,047 | 929,567 | 928,732             | 927,999             |
| Total Employed                      | 920,787       | 904,196 | 872,382 | 866,704             | 867,387             |
| Unemployed                          | 45,837        | 44,851  | 57,185  | 62,028              | 60,612              |
| Unemployment Rate                   | 4.7%          | 4.8%    | 6.2%    | 6.7%                | 6.5%                |
| Seasonally Adjusted Rate            | 4.7%          | 4.7%    | 6.4%    | 6.7%                | 6.6%                |

**STATE OF NEW MEXICO  
PUBLIC HIGHER EDUCATION ENROLLMENT  
LAST TEN ACADEMIC YEARS**

|   | Academic Year |         |         |         |         |
|---|---------------|---------|---------|---------|---------|
|   | 2023-24*      | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Eastern New Mexico University                     | -             | 4,849   | 4,490   | 4,958   | 5,519   |
| New Mexico Highlands University                   | -             | 2,842   | 2,804   | 2,161   | 2,169   |
| New Mexico Institute of Mining and Technology     | -             | 2,000   | 1,734   | 1,482   | 1,517   |
| New Mexico State University                       | -             | 26,514  | 27,854  | 17,518  | 18,458  |
| Northern New Mexico College                       | -             | 1,904   | 1,453   | 761     | 768     |
| University of New Mexico                          | -             | 33,410  | 34,368  | 21,273  | 22,568  |
| Western New Mexico University                     | -             | 3,910   | 3,074   | 1,872   | 1,974   |
| Total All Four-Year Institutions                  | -             | 75,429  | 75,777  | 50,025  | 52,973  |
| Central New Mexico Community College <sup>1</sup> | -             | 27,684  | 18,563  | 10,600  | 11,612  |
| Clovis Community College                          | -             | 3,245   | 3,408   | 1,291   | 1,461   |
| Luna Community College                            | -             | 1,121   | 1,128   | 420     | 526     |
| Mesalands Community College                       | -             | 1,286   | 1,198   | 280     | 346     |
| New Mexico Junior College                         | -             | 2,385   | 2,500   | 1,352   | 1,591   |
| New Mexico Military Institute                     | -             | 543     | 570     | 471     | 459     |
| Northern New Mexico College                       | -             | N/A     | N/A     | N/A     | N/A     |
| San Juan College                                  | -             | 8,098   | 7,866   | 3,216   | 3,914   |
| Santa Fe Community College                        | -             | 4,831   | 4,027   | 1,716   | 2,175   |
| Total All Two-Year Institutions                   | -             | 49,193  | 39,260  | 19,346  | 22,084  |
| Total All Institutions                            | -             | 124,622 | 115,037 | 69,371  | 75,057  |

<sup>1</sup> Albuquerque Technical Vocational Institute's name changed to Central New Mexico Community College

Source: Information can be found at <http://hed.state.nm.us/data-reports/data-reports-1/annual-projects> Annual Report

As of 2022 the numbers reported are by total head counts not FTE . Branches must be included in totals.

\*2023 - 24 information not available

**STATE OF NEW MEXICO  
PUBLIC HIGHER EDUCATION ENROLLMENT (CONTINUED)  
LAST TEN ACADEMIC YEARS**

|   | Academic Year |         |         |         |         |
|---|---------------|---------|---------|---------|---------|
|   | 2018-19       | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
| Eastern New Mexico University                 | 4,791         | 5,573   | 5,891   | 5,936   | 6,327   |
| New Mexico Highlands University               | 2,350         | 2,348   | 2,438   | 2,653   | 2,626   |
| New Mexico Institute of Mining and Technology | 1,614         | 1,612   | 1,666   | 1,817   | 1,805   |
| New Mexico State University                   | 18,592        | 18,398  | 19,324  | 19,876  | 20,630  |
| Northern New Mexico College                   | 804           | 799     | 786     | 707     | 870     |
| University of New Mexico                      | 22,812        | 23,430  | 25,483  | 28,489  | 28,277  |
| Western New Mexico University                 | 1,990         | 2,072   | 2,045   | 2,169   | 2,222   |
| Total All Four-Year Institutions              | 52,953        | 54,232  | 57,633  | 61,647  | 62,757  |
| Central New Mexico Community College          | 12,000        | 12,156  | 12,716  | 13,684  | 14,653  |
| Clovis Community College                      | 1,509         | 1,477   | 1,495   | 1,500   | 1,548   |
| Luna Community College                        | 513           | 505     | 614     | 709     | 757     |
| Mesalands Community College                   | 413           | 388     | 404     | 469     | 428     |
| New Mexico Junior College                     | 1,464         | 1,696   | 1,593   | 1,651   | 1,698   |
| New Mexico Military Institute                 | 487           | 487     | 492     | 511     | 550     |
| Northern New Mexico College                   | N/A           | N/A     | N/A     | N/A     | N/A     |
| San Juan College                              | 3,873         | 3,672   | 3,538   | 4,409   | 4,619   |
| Santa Fe Community College                    | 2,229         | 2,252   | 2,391   | 2,648   | 2,899   |
| Total All Two-Year Institutions               | 22,488        | 22,633  | 23,243  | 25,581  | 27,152  |
| Total All Institutions                        | 75,441        | 76,865  | 80,876  | 87,228  | 89,909  |

**STATE OF NEW MEXICO  
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

|  | Fiscal Year     |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2024            | 2023            | 2022            | 2021            | 2020            |
| General Government:                        |                 |                 |                 |                 |                 |
| Government Operations                      | 1,470.8         | 1,467.8         | 1,416.0         | 1,353.1         | 1,380.0         |
| Taxation and Revenue                       | 1,041.5         | 1,058.0         | 1,063.0         | 1,054.2         | 1,072.8         |
| Human Services and Youth Corrections       | 3,418.5         | 3,284.0         | 3,289.0         | 4,109.8         | 4,089.8         |
| Adult Corrections                          | 2,521.0         | 2,451.0         | 2,498.0         | 2,492.0         | 2,621.0         |
| Public Safety                              | 2,684.6         | 1,681.2         | 1,561.0         | 1,539.4         | 1,607.3         |
| State Courts                               | 4,399.4         | 4,195.8         | 4,009.0         | 3,574.4         | 3,542.6         |
| Health and Environment:                    |                 |                 |                 |                 |                 |
| Department of Health                       | 3,823.0         | 3,909.0         | 4,003.0         | 3,992.0         | 3,769.5         |
| Department of Environment                  | 698.7           | 661.7           | 689.0           | 653.0           | 634.5           |
| Miners Colfax Community Hospital           | 258.0           | 288.0           | 293.0           | 290.5           | 258.0           |
| Employment and Family Services             | 2,225.5         | 2,235.6         | 2,166.0         | 2,222.8         | 1,405.8         |
| Natural Resources                          | 1,171.2         | 1,570.0         | 1,492.0         | 1,404.9         | 1,361.5         |
| Cultural Affairs                           | 1,070.6         | 568.0           | 502.0           | 485.8           | 509.3           |
| Business, Labor and Agriculture            | 980.0           | 920.0           | 879.0           | 842.0           | 878.4           |
| Education                                  | 360.0           | 358.7           | 411.0           | 394.5           | 387.2           |
| Transportation                             | 2,664.0         | 2,660.0         | 2,676.0         | 2,615.5         | 2,506.5         |
| Total Full-Time Equivalent State Employees | <u>28,786.8</u> | <u>27,308.8</u> | <u>26,947.0</u> | <u>27,023.9</u> | <u>26,024.2</u> |
| Change                                     | 5.1%            | 1.3%            | -0.3%           | 3.7%            | 2.1%            |

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         |                 |                 |                 |                 |
|--|---------------------|-----------------|-----------------|-----------------|-----------------|
|  | 2019<br>As Restated | 2018            | 2017            | 2016            | 2015            |
| General Government:                        |                     |                 |                 |                 |                 |
| Government Operations                      | 1,336.5             | 1,334.0         | 1,355.0         | 1,190.0         | 1,203.5         |
| Taxation and Revenue                       | 1,066.8             | 1,078.0         | 1,088.0         | 1,096.0         | 1,109.0         |
| Human Services and Youth Corrections       | 4,105.8             | 3,909.0         | 4,320.0         | 4,540.0         | 4,384.1         |
| Adult Corrections                          | 2,453.0             | 2,443.0         | 2,409.0         | 2,447.0         | 2,453.0         |
| Public Safety                              | 1,547.3             | 1,535.0         | 1,545.0         | 1,499.7         | 1,452.7         |
| State Courts                               | 3,473.4             | 3,389.0         | 3,375.0         | 3,587.4         | 3,471.0         |
| Health and Environment:                    |                     |                 |                 |                 |                 |
| Department of Health                       | 3,551.5             | 3,536.0         | 3,792.0         | 3,780.0         | 3,791.0         |
| Department of Environment                  | 635.5               | 638.0           | 637.0           | 660.5           | 660.5           |
| Miners Colfax Community Hospital           | 260.0               | 258.0           | 224.0           | 224.0           | 224.0           |
| Employment and Family Services             | 1,418.3             | 1,643.0         | 1,435.0         | 623.5           | 618.5           |
| Natural Resources                          | 1,375.5             | 1,366.0         | 1,389.0         | 1,005.8         | 967.8           |
| Cultural Affairs                           | 487.9               | 494.0           | 509.0           | 508.8           | 507.8           |
| Business, Labor and Agriculture            | 864.4               | 860.0           | 900.0           | 1,809.5         | 1,813.6         |
| Education                                  | 384.2               | 378.0           | 397.0           | 348.3           | 350.3           |
| Transportation                             | 2,506.5             | 2,503.0         | 2,488.0         | 2,487.5         | 2,489.5         |
| Total Full-Time Equivalent State Employees | <u>25,466.6</u>     | <u>25,364.0</u> | <u>25,863.0</u> | <u>25,808.0</u> | <u>25,496.3</u> |
| Change                                     | 0.4%                | -2.0%           | 0.2%            | 1.2%            | 100.0%          |

# STATE OF NEW MEXICO OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

|   | Fiscal Year      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2024             | 2023             | 2022             | 2021             | 2020             |
| <b>General Government:</b>  |                  |                  |                  |                  |                  |
| <b>Operations:</b>  |                  |                  |                  |                  |                  |
| Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <sup>8 11 24 39 43 50</sup>             | 50 <sup>th</sup> | 50 <sup>th</sup> | 50 <sup>th</sup> | 50 <sup>th</sup> | 40 <sup>th</sup> |
| <b>Taxation:</b>  |                  |                  |                  |                  |                  |
| % of Electronically Filed Personal Income Tax Returns <sup>9 14 15 19 23 37 44, 47</sup>  | 90%              | 90%              | 90%              | 82%              | 90%              |
| % of Motor Vehicle Registrations Issued (with Liability Insurance) <sup>14 15 19 23 37 44 47</sup>  | 92%              | 91%              | 91%              | 92%              | 91%              |
| Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <sup>8 10 14 15 19 23 37 44 47</sup>                  | \$10.0           | \$13.9           | \$12.0           | \$11.0           | \$10.4           |
| <b>Regulation:</b>  |                  |                  |                  |                  |                  |
| # of Vehicular Port Traffic at New Mexico Ports <sup>10 14 15 18 26 38 45 48</sup>  | 2,100,000        | 1,206,104        | 1,988,283        | 766,671          | 937,119          |
| Number of registered nurse licenses active on June 30 <sup>10 15 18 25 40 46 49</sup>   | 32,864           | 32,864           | 31,132           | 14,500           | 18,918           |
| Tri-Annual Physician Licenses Issued <sup>10 14 15 18 27 38 45 48</sup>   | 4,600            | 5,911            | 5,269            | 3,000            | 4,303            |
| Biennial Physician Assistant Licenses Issued <sup>10 15 18 27 38 45 48</sup>  | 550              | 598              | 621              | 225              | 629              |
| <b>Public Safety:</b>   |                  |                  |                  |                  |                  |
| Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <sup>10 14 15 19 28 41 45 48</sup>                               | 10,822           | 9,000            | 10,822           | 37,919           | NA               |
| # of Traffic Fatalities <sup>9 14 15 18 23 37 44 47</sup>   | 400              | 444              | 464              | 395              | 418              |
| # of Driving While Intoxicated Fatalities <sup>9 14 15 18 23 37 44 47</sup>   | 140              | 119              | 133              | 169              | 142              |
| # of Driving While Intoxicated Arrests <sup>9 14 15 18 23 37 44 47</sup>  | 3,000            | 2,588            | 2,809            | 2,479            | 1,647            |
| <b>Education:</b>   |                  |                  |                  |                  |                  |
| <b>Public:</b>  |                  |                  |                  |                  |                  |
| # of High School Graduates (4 year) <sup>1 29 42</sup>  | 20,520           | 19,483           | 32,058           | 26,096           | 25,995           |
| Student Dropout Rate for Grades 9 - 12 <sup>2 30 42 52</sup>  | 8.5%             | 6.8%             | 4.4%             | 4.4%             | NA               |
| Public School Capital Outlay Allocation (\$ Millions) <sup>4</sup>  | 15.7             | 15.7             | 15.7             | 136              | N/A              |
| <b>Higher:</b>  |                  |                  |                  |                  |                  |
| Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <sup>8 10 14 15 38 45 48</sup>                           | 48%              | 49%              | 48%              | 40%              | 56%              |
| % of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <sup>8 10 14 15 21</sup>  | 77%              | 72%              | 73%              | 73%              | N/A              |
| <b>Health and Human Services:</b>   |                  |                  |                  |                  |                  |
| % of Children Receiving Services in Medicaid Managed Care <sup>10 14 15 23 38 44 47</sup>   | 72%              | 69%              | 70%              | 70%              | 73%              |
| % of Child Support Collected of Support Owed <sup>9 14 15 18 23 38 45 48</sup>  | 60%              | 58%              | 58%              | 57%              | 59%              |
| # of Homeless Veterans Provided Shelter <sup>8 10 14 15 21 31</sup>   | 182              | 71               | 173              | 173              | N/A              |
| % of Children Adopted within 24 Months of Entry into Foster Care <sup>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</sup> | 42%              | 31%              | 38%              | 35%              | 36%              |
| % of Abused Children with Repeat Maltreatment <sup>9 14 15 23 38 45 48</sup>  | 9%               | 13%              | 14%              | 8%               | 14%              |
| % of Preschoolers Fully Immunized <sup>9 14 15 18 45 48</sup>   | 66%              | 69%              | 66%              | 76%              | 63%              |
| # of Operating School-Based Health Centers <sup>13 14 15 32</sup>   | 95               | 78               | 91               | 82               | 79               |
| Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <sup>18 21 26 45 48</sup>                                | 5                | 3                | 5                | 4                | 4                |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|   | Fiscal Year      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2019             | 2018             | 2017             | 2016             | 2015             |
|   | as Restated      | as Restated      | as Restated      | as Restated      | as Restated      |
| <b>General Government:</b>  |                  |                  |                  |                  |                  |
| <b>Operations:</b>  |                  |                  |                  |                  |                  |
| Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <sup>8 11 24 39 43 50</sup>             | 39 <sup>th</sup> | 39 <sup>th</sup> | 39 <sup>th</sup> | 30 <sup>th</sup> | 36 <sup>th</sup> |
| <b>Taxation:</b>  |                  |                  |                  |                  |                  |
| % of Electronically Filed Personal Income Tax Returns <sup>9 14 15 19 23 37 44, 47</sup>  | 88%              | 87%              | 86%              | 85%              | 92%              |
| % of Motor Vehicle Registrations Issued (with Liability Insurance) <sup>14 15 19 23 37 44 47</sup>  | 90%              | 90%              | 90%              | 92%              | 91%              |
| Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <sup>8 10 14 15 19 23 37 44 47</sup>                  | \$12.9           | \$14.6           | \$11.5           | \$11.6           | \$10.4           |
| <b>Regulation:</b>  |                  |                  |                  |                  |                  |
| # of Vehicular Port Traffic at New Mexico Ports <sup>10 14 15 18 26 38 45 48</sup>  | 1,548,500        | 1,597,023        | 1,571,366        | 1,589,396        | 1,463,046        |
| Number of registered nurse licenses active on June 30 <sup>10 15 18 25 40 46 49</sup>   | 24,711           | 19,340           | 16,872           | 16,251           | 14,854           |
| Tri-Annual Physician Licenses Issued <sup>10 14 15 18 27 38 45 48</sup>   | 4,086            | 4,059            | 4,116            | 3,744            | 3,841            |
| Biennial Physician Assistant Licenses Issued <sup>10 15 18 27 38 45 48</sup>  | 556              | 487              | 455              | 451              | 476              |
| <b>Public Safety:</b>   |                  |                  |                  |                  |                  |
| Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <sup>10 14 15 19 28 41 45 48</sup>                               | NA               | 19,500           | 16,590           | 10,408           | 14,775           |
| # of Traffic Fatalities <sup>9 14 15 18 23 37 44 47</sup>   | 417              | 369              | 383              | 366              | 347              |
| # of Driving While Intoxicated Fatalities <sup>9 14 15 18 23 37 44 47</sup>   | 157              | 143              | 163              | 149              | 155              |
| # of Driving While Intoxicated Arrests <sup>9 14 15 18 23 37 44 47</sup>  | 2,171            | 2,574            | N/A              | N/A              | N/A              |
| <b>Education:</b>   |                  |                  |                  |                  |                  |
| <b>Public:</b>  |                  |                  |                  |                  |                  |
| # of High School Graduates (4 year) <sup>1 29 42</sup>  | 26,092           | 26,288           | 26,587           | 25,926           | 25,863           |
| Student Dropout Rate for Grades 9 - 12 <sup>2 30 42 52</sup>  | NA               | NA               | 3.8%             | 4.4%             | 4.4%             |
| Public School Capital Outlay Allocation (\$ Millions) <sup>4</sup>  | N/A              | N/A              | N/A              | 546              | 895              |
| <b>Higher:</b>  |                  |                  |                  |                  |                  |
| Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <sup>8 10 14 15 38 45 48</sup>                           | 54%              | 50%              | 49%              | 48%              | 48%              |
| % of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <sup>8 10 14 15 21</sup>  | N/A              | N/A              | N/A              | 75%              | 72%              |
| <b>Health and Human Services:</b>   |                  |                  |                  |                  |                  |
| % of Children Receiving Services in Medicaid Managed Care <sup>10 14 15 23 38 44 47</sup>   | 75%              | 72%              | 85%              | 85%              | 86%              |
| % of Child Support Collected of Support Owed <sup>9 14 15 18 23 38 45 48</sup>  | 58%              | 57%              | 56%              | 56%              | 56%              |
| # of Homeless Veterans Provided Shelter <sup>8 10 14 15 21 31</sup>   | N/A              | N/A              | 503              | 491              | 360              |
| % of Children Adopted within 24 Months of Entry into Foster Care <sup>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</sup> | 27%              | 28%              | 25%              | 23%              | 32%              |
| % of Abused Children with Repeat Maltreatment <sup>9 14 15 23 38 45 48</sup>  | 17%              | 15%              | 15%              | 12%              | 11%              |
| % of Preschoolers Fully Immunized <sup>9 14 15 18 45 48</sup>   | 64%              | 61%              | 72%              | NA               | 76%              |
| # of Operating School-Based Health Centers <sup>13 14 15 32</sup>   | 73               | 73               | 70               | 72               | 80               |
| Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <sup>18 21 26 45 48</sup>                                | 5                | 5                | 5                | 3                | 3                |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|   | Fiscal Year |         |         |         |         |
|---|-------------|---------|---------|---------|---------|
|   | 2024        | 2023    | 2022    | 2021    | 2020    |
| Corrections:  |             |         |         |         |         |
| Juvenile:   |             |         |         |         |         |
| % Juveniles Earning Education Credits While Incarcerated <sup>8</sup>   | 60%         | 56%     | 56%     | 55%     | NA      |
| % of Juveniles Who Complete Formal Probation <sup>23 37 38 44 47</sup>  | 85%         | 93%     | 85%     | 90%     | 94%     |
| % of Juveniles Recommitted to a Youth Detention Facility <sup>9 14 15 17 23 37 45 47</sup>  | 20%         | 13%     | 20%     | 12%     | 20%     |
| Adult:  |             |         |         |         |         |
| Turnover Rate of Correctional Officers <sup>9 14 15 18 23 38 45 48</sup>  | 28%         | 32%     | 28%     | 11%     | 2%      |
| Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) <sup>9 14 15 23 37 45 48</sup>   | 36%         | 30%     | 35%     | 37%     | 46%     |
| % of Prisoners Reincarcerated within 36 Months After Release <sup>10 14 15 17 23 37 44 45 48</sup>  | 35%         | 36%     | 37%     | 40%     | 54%     |
| Culture and Recreation:   |             |         |         |         |         |
| # of Visits to Visitor Information Centers (Millions) <sup>8</sup>  | 1.4         | 1.3     | 1.2     | 1.3     | N/A     |
| # of Unique Website Visitor Sessions (Millions) <sup>8 23 45 48</sup>   | 2.7         | 2       | 2       | 2       | 2.4     |
| Circulation Rate for New Mexico Magazine <sup>8 9 14 15 18 33 38 44 47</sup>  | 80,000      | 100,000 | 80,000  | 94,221  | 70,000  |
| Attendance to Museum Exhibitions, Performances, Films, Programs <sup>8 10 14 15 34 38 45 48</sup>   | 767,000     | 725,472 | 726,301 | 830,000 | 827,895 |
| % of Public Hunting Licenses Drawn by New Mexico Resident Hunters <sup>8 10 14 15 18 36 38 45 48</sup>  | 84%         | 84%     | 84%     | 80%     | 88%     |
| Fish Output from Hatchery System (in Pounds) <sup>5 7 8 10 14 15 35 38 45 48</sup>  | 660,000     | 640,000 | 672,642 | 592,247 | 666,738 |
| # of Visitors to State Parks (Millions) <sup>8 9 14 15 23 44 47</sup>   | 4.7         | 5       | 5       | 4       | 4       |
| Natural Resources, Environment:   |             |         |         |         |         |
| # of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>  | 31,000      | 29,522  | 31,154  | 35,147  | 36,852  |
| % of Required Mine Inspection Conducted <sup>8 14 15 23 37 45 48</sup>  | 98%         | 99%     | 100%    | 100%    | 88%     |
| % of Abandoned Uranium Mines with Current Site Assessments <sup>8</sup>   | 50%         | 50%     | 50%     | 50%     | N/A     |
| % of Landfills Meeting Groundwater Monitoring Requirements <sup>14 15 23 37 44 47</sup>   | 95%         | 97%     | 95%     | 95%     | 97%     |
| # of Wildlife Habitat Acres Conserved or Enhanced <sup>8 20 35</sup>  | 100,000     | 192,000 | 100,000 | 100,000 | 192,000 |
| # of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 <sup>8 10 14 15 38 45 48</sup>   | 48%         | 53%     | 45%     | 35%     | 51%     |
| Business, Labor, and Agriculture:   |             |         |         |         |         |
| % of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup> | 61%         | 61%     | 61%     | 72%     | 69%     |
| # of Rural Jobs Created <sup>9 14 15 23 37 45 48</sup>  | 1,500       | 996     | 1,766   | 1,542   | 460     |
| # of Media Industry Worker Days <sup>9 14 15 18 37 45 48</sup>  | 450,000     | 553,630 | 143,000 | 143,046 | 102,376 |
| Changed to "Direct Spending by Industry productions (\$ Millions) <sup>14 23 37 45 48</sup>   | \$580       | \$794   | \$5,855 | \$674   | \$257   |
| Highways and Transportation:  |             |         |         |         |         |
| # of System wide Miles in Deficient Condition <sup>9 14 15 23 37 45 48</sup>  | 4,000       | 2,824   | 1,451   | 3,837   | 4,420   |
| # of Traffic Fatalities per 100 Million Vehicle Miles Traveled <sup>5 7 8 12 51</sup>   | 1.46        | 1.77    | 1.75    | 1.43    | 1.53    |
| # of Statewide Improved Pavement Surface Miles <sup>5 6 9 14 15 23 37 45 48</sup>   | 4,172       | 3,390   | 4,373   | 2,750   | 3,970   |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|   | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2019<br>as Restated | 2018<br>as Restated | 2017<br>as Restated | 2016<br>as Restated | 2015<br>as Restated |
| Corrections:  |                     |                     |                     |                     |                     |
| Juvenile:   |                     |                     |                     |                     |                     |
| % Juveniles Earning Education Credits While Incarcerated <sup>8</sup>   | NA                  | NA                  | NA                  | NA                  | NA                  |
| % of Juveniles Who Complete Formal Probation <sup>23 37 38 44 47</sup>  | 86%                 | 86%                 | 83%                 | 85%                 | 83%                 |
| % of Juveniles Recommitted to a Youth Detention Facility <sup>9 14 15 17 23 37 45 47</sup>  | 20%                 | 20%                 | 7%                  | 10%                 | 8%                  |
| Adult:  |                     |                     |                     |                     |                     |
| Turnover Rate of Correctional Officers <sup>9 14 15 18 23 38 45 48</sup>  | 25%                 | 28%                 | 2%                  | 10%                 | 13%                 |
| Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) <sup>9 14 15 23 37 45 48</sup>   | 46%                 | 51%                 | 50%                 | 46%                 | 47%                 |
| % of Prisoners Reincarcerated within 36 Months After Release <sup>10 14 15 17 23 37 44 45 48</sup>  | 54%                 | 49%                 | 50%                 | 46%                 | 23%                 |
| Culture and Recreation:   |                     |                     |                     |                     |                     |
| # of Visits to Visitor Information Centers (Millions) <sup>8</sup>  | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| # of Unique Website Visitor Sessions (Millions) <sup>8 23 45 48</sup>   | 2.4                 | 0.4                 | 0.4                 | 0.6                 | 0.8                 |
| Circulation Rate for New Mexico Magazine <sup>8 9 14 15 18 33 38 44 47</sup>  | 70,000              | 70,000              | 70,000              | 75,000              | 92,148              |
| Attendance to Museum Exhibitions, Performances, Films, Programs <sup>8 10 14 15 34 38 45 48</sup>   | 826,969             | 855,789             | 779,810             | 745,101             | 823,450             |
| % of Public Hunting Licenses Drawn by New Mexico Resident Hunters <sup>8 10 14 15 18 36 38 45 48</sup>  | 84%                 | 84%                 | 84%                 | 84%                 | 84%                 |
| Fish Output from Hatchery System (in Pounds) <sup>5 7 8 10 14 15 35 38 45 48</sup>  | 670,851             | 646,175             | 681,103             | 638,594             | 637,200             |
| # of Visitors to State Parks (Millions) <sup>8 9 14 15 23 44 47</sup>   | 5                   | 5                   | 5                   | 5                   | 4                   |
| Natural Resources, Environment:   |                     |                     |                     |                     |                     |
| # of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>  | 31,043              | 42,880              | 37,648              | 49,624              | 47,539              |
| % of Required Mine Inspection Conducted <sup>8 14 15 23 37 45 48</sup>  | 88%                 | 95%                 | 97%                 | 97%                 | 97%                 |
| % of Abandoned Uranium Mines with Current Site Assessments <sup>8</sup>   | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| % of Landfills Meeting Groundwater Monitoring Requirements <sup>14 15 23 37 44 47</sup>   | 99%                 | 96%                 | 97%                 | 100%                | 95%                 |
| # of Wildlife Habitat Acres Conserved or Enhanced <sup>8 20 35</sup>  | 192,000             | 192,000             | 192,000             | NA                  | NA                  |
| # of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 <sup>8 10 14 15 38 45 48</sup>   | 48%                 | 41%                 | 52%                 | N/A                 | 35                  |
| Business, Labor, and Agriculture:   |                     |                     |                     |                     |                     |
| % of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup> | 79%                 | 79%                 | 78%                 | 80%                 | 80%                 |
| # of Rural Jobs Created <sup>9 14 15 23 37 45 48</sup>  | 1,376               | 2,414               | 775                 | 641                 | 726                 |
| # of Media Industry Worker Days <sup>9 14 15 18 37 45 48</sup>  | 319,814             | 259,961             | 448,304             | 260,307             | 298,398             |
| Changed to "Direct Spending by Industry productions (\$ Millions) <sup>14 23 37 45 48</sup>   | \$525               | \$234               | \$505               | \$387               | \$286               |
| Highways and Transportation:  |                     |                     |                     |                     |                     |
| # of System wide Miles in Deficient Condition <sup>9 14 15 23 37 45 48</sup>  | 3,783               | 4,675               | 4,675               | 4,515               | 4,250               |
| # of Traffic Fatalities per 100 Million Vehicle Miles Traveled <sup>5 7 8 12 51</sup>   | 1.30                | 1.43                | 1.16                | 1.18                | 1.09                |
| # of Statewide Improved Pavement Surface Miles <sup>5 6 9 14 15 23 37 45 48</sup>   | 3,143               | 2,854               | 3,668               | 2,457               | 2,611               |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

- Sources: Various departments of the State of New Mexico
- <sup>1</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates
  - <sup>2</sup> New Mexico Dropout Report published by New Mexico Public Education Department
  - <sup>4</sup> New Mexico Public Schools Finance Authority
  - <sup>8</sup> Report of the Legislative Finance Committee to the Legislature Second Session, Vol. II  
102, 103, 104, 105, 106, 108, 112, 113, 114, 122, 123, 172, 178, 187, 188, 194, 262, 287, 291, 303, 322, 323, 336, 338
  - <sup>9</sup> 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,  
116, 124, 125, 132, 133
  - <sup>10</sup> 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,  
278, 283, 330, 332
  - <sup>11</sup> 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>
  - <sup>12</sup> New Mexico Transportation By The Numbers:  
[http://www.tripnet.org/docs/NM\\_Transportation\\_By\\_The\\_Number](http://www.tripnet.org/docs/NM_Transportation_By_The_Number)
  - <sup>13</sup> New Mexico Alliance for School-Based Health Care (NMASBHC): <http://www.nmasbhc.org/index.html>
  - <sup>14</sup> 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
  - <sup>15</sup> Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2016, Vol. II, Pg. 152, 327, 343, 356, 505
  - <sup>17</sup> Report of the Legislative Finance Committee to the 53rd Legislature First Session, January 2017, Vol. I, Pg. 91, 103, 116
  - <sup>18</sup> 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
  - <sup>19</sup> Report of the Legislative Finance Committee to the 50th Legislature First Session, January 2011, Vol. II, Pg. 157, 243
  - <sup>21</sup> Report of the Legislative Finance Committee to the 52nd Legislature First Session, January 2015, Vol. II, Pg. 261, 285, 343
  - <sup>22</sup> Mercatus Center - George Mason University, [www.mercatus.org/statefiscalrankings](http://www.mercatus.org/statefiscalrankings)
  - <sup>23</sup> 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,  
122-124, 131-132
  - <sup>24</sup> Pension Fund Programs Worsen in 43 States, by Laurie Meisler, [www.bloomberg.com/graphics/2017-state-pension-funding](http://www.bloomberg.com/graphics/2017-state-pension-funding)
  - <sup>25</sup> New Mexico Board of Nursing - Annual Governor's Report FY 2017, Pg 12
  - <sup>26</sup> Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. II, Pg. 121, 240
  - <sup>27</sup> New Mexico Medical Board - E-mailed
  - <sup>28</sup> New Mexico Public Regulation Commission - Annual Report FY 2017, Pg. 14, 16
  - <sup>29</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \$ Year Graduation Rate Cohort 2017
  - <sup>30</sup> New Mexico Public Education E-Mail - CFO
  - <sup>31</sup> New Mexico Veterans' Services Department Performance Measures Summary, Pg. 1
  - <sup>32</sup> New Mexico Alliance for School Based Health Care, [www.nmasbhc.org/SBHC\\_Locator](http://www.nmasbhc.org/SBHC_Locator)
  - <sup>33</sup> New Mexico Magazine - E-Mail Circulation Manager
  - <sup>34</sup> New Mexico Department of Cultural Affairs - E-mail CIO
  - <sup>35</sup> New Mexico Department of Game and Fish Annual Report, Pg. 6, 9
  - <sup>36</sup> New Mexico Department of Game & Fish - Website, [www.wildlife.state.nm.us/hunting/applications-and-draws-information](http://www.wildlife.state.nm.us/hunting/applications-and-draws-information)
  - <sup>37</sup> 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  
147, 155, 156
  - <sup>38</sup> 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,  
222, 245, 275, 276, 286, 336
  - <sup>39</sup> Pension Fund Outlook Brightens in 41 States, by Danielle Moran, [www.bloomberg.com/graphics/2018-state-pension-funding](http://www.bloomberg.com/graphics/2018-state-pension-funding)
  - <sup>40</sup> New Mexico Board of Nursing - Annual Report FY 2018, Pg 4
  - <sup>41</sup> New Mexico Public Regulation Commission - Annual Report FY 2018, Pg. 22+F45
  - <sup>42</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \$ Year Graduation Rate Cohort 2019
  - <sup>43</sup> Money - Is your money safe? These states are getting hit hardest by pension crisis, 10/15/2019.
  - <sup>44</sup> Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. I, Pg. 109-110, 121-122, 127, 134, 143,  
148-149, 156-158
  - <sup>45</sup> Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. II, Pg. 122-123, 125-126, 129-130, 132, 144,  
  
174, 182, 190, 238, 243, 261, 290-291, 302-303, 324-325.
  - <sup>46</sup> New Mexico Board of Nursing - Annual Report FY 2019, Pg 45-46
  - <sup>47</sup> Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. I, Pg. 116, 121, 128, 144, 150-151, 153,  
155-158, 166-167
  - <sup>48</sup> Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. II, Pg. 124, 126, 132, 133, 145, 151, 153, 172,  
181 188, 237, 242, 259, 266, 289, 300, 303, 326, 356
  - <sup>49</sup> New Mexico Board of Nursing - Annual Report FY 20120 Pg 29
  - <sup>50</sup> [https://ipiusa.org/wp-content/uploads/2019/08/Public-Pension-Performance\\_IPFI\\_August2019.pdf](https://ipiusa.org/wp-content/uploads/2019/08/Public-Pension-Performance_IPFI_August2019.pdf) pg. 10-12
  - <sup>51</sup> <https://www.ihs.org/topics/fatality-statistics/detail/state-by-state>
  - <sup>52</sup> <https://datacenter.kidscount.org/data/tables/7958-dropout-rates>

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 <sup>1</sup> Measure deleted in FY09 or a latter Fiscal Year and replaced by different criteria.

NA Information not available

**STATE OF NEW MEXICO  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

|                                    | Fiscal Year |         |         |         |         |
|------------------------------------|-------------|---------|---------|---------|---------|
|                                    | 2024        | 2023    | 2022    | 2021    | 2020    |
| General Government:                |             |         |         |         |         |
| Buildings                          | 110         | 110     | 110     | 110     | 110     |
| Vehicles                           | 40          | 51      | 40      | N/A     | N/A     |
| Public Safety:                     |             |         |         |         |         |
| Buildings (not inc. POE'S)         | 29          | 29      | 29      | 29      | 29      |
| Vehicles                           | 920         | 823     | 920     | 846     | 846     |
| Ports of Entry                     | 8           | 13      | 8       | 8       | 8       |
| Health and Human Services:         |             |         |         |         |         |
| Buildings - General Administrative | 302         | 302     | 302     | 302     | 302     |
| Buildings - Program                |             |         |         |         |         |
| Juvenile Reintegration Center      | 4           | 2       | 4       | 4       | 4       |
| Medical Center/Hospital            | 55          | 55      | 55      | 55      | 55      |
| Rehabilitation Facility            | 5           | 6       | 5       | 5       | 5       |
| Veterans' Center                   | 16          | 6       | 16      | 16      | 16      |
| Vehicles                           | 620         | 483     | 620     | 511     | 511     |
| Corrections:                       |             |         |         |         |         |
| Buildings                          | 406         | 406     | 406     | 406     | 406     |
| Vehicles                           | 302         | 260     | 302     | 257     | 257     |
| Culture and Recreation:            |             |         |         |         |         |
| Vehicles                           | 60          | 60      | 60      | 60      | 60      |
| Museums                            | 14          | 15      | 14      | 14      | 14      |
| Monuments                          | 8           | 8       | 8       | 8       | 8       |
| Natural Resources, Environment:    |             |         |         |         |         |
| Vehicles                           | 261         | 194     | 261     | 196     | 196     |
| 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       | 5       | 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   |

Sources: New Mexico General Services Department, Property Control Division and Public Information Office;  
New Mexico Game and Fish Department, Administrative Services  
New Mexico Energy and Minerals Department, Administrative Services Division;  
New Mexico Department of Transportation, ; dot.state.nm.us/content/nmdot/en/Operations.html  
Office of Employee Support and Development  
New Mexico Health and Human Services Department, Administrative Services Division;  
New Mexico Corrections Department, Administrative Services Division;  
New Mexico Children, Youth and Families Department, Administrative Services Division;  
New Mexico Department of Cultural Affairs, Administrative Services Division;  
New Mexico Department of Public Safety, Administrative Services Division;  
State of New Mexico Report of the Legislative Finance Committee to the Legislature Second Session, Vol. I

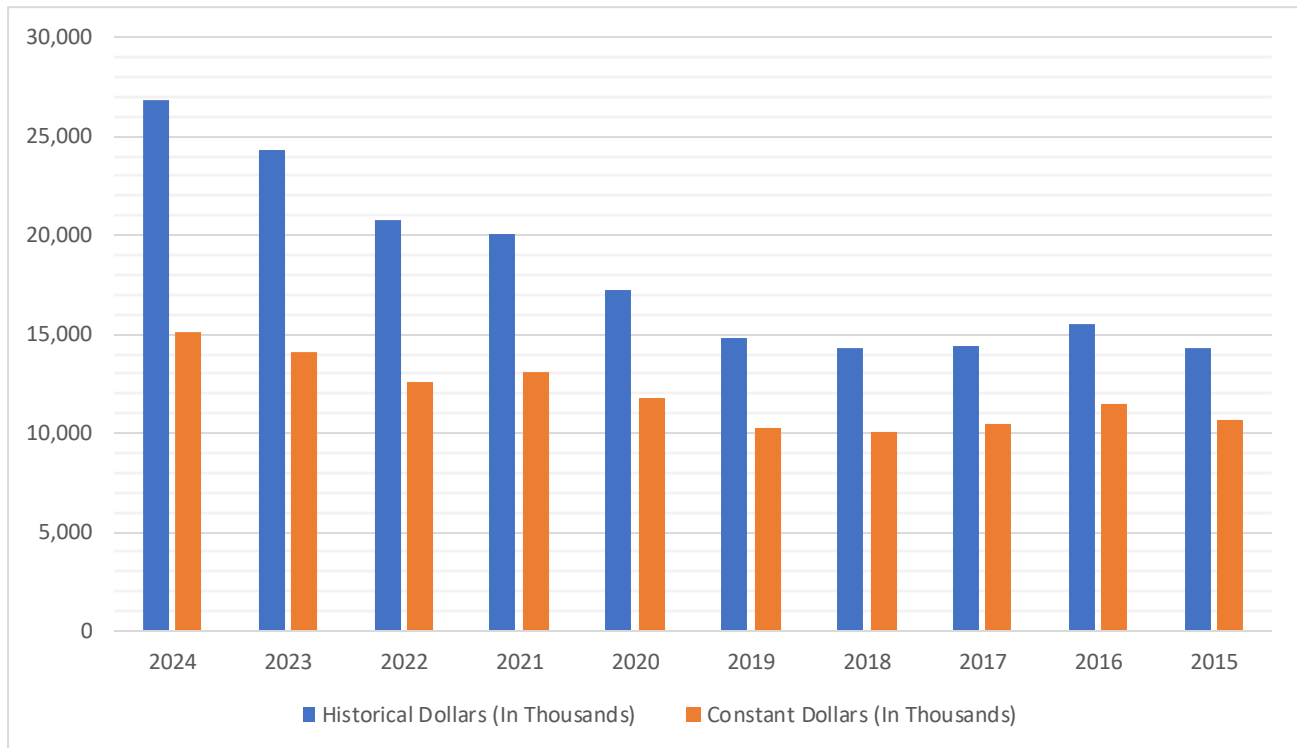
en.wikipedia.org/wiki/List\_of\_hospitals\_in\_New\_Mexico  
en.wikipedia.org/wiki/List\_of\_New\_Mexico\_state\_parks  
[www.newmexicoculture.org](http://www.newmexicoculture.org); [nmdvs.org/field-offices](http://nmdvs.org/field-offices)  
[www.sp.nm.gov/port-of-entry](http://www.sp.nm.gov/port-of-entry)  
Number of Juvenile Centers in New Mexico (Bing)  
Number of rehabilitation facility in New Mexico (Bing)  
<http://www.nmhistoricsites.org/>  
<http://www.emnrd.state.nm.us/SPD/FindaPark.html>

**STATE OF NEW MEXICO  
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|                                    | Fiscal Year |         |         |         |         |
|------------------------------------|-------------|---------|---------|---------|---------|
|                                    | 2019        | 2018    | 2017    | 2016    | 2015    |
| 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                           | 1,275       | 1,256   | 900     | 921     | 921     |
| Ports of Entry                     | 8           | 8       | 8       | 6       | 6       |
| Health and Human Services:         |             |         |         |         |         |
| Buildings - General Administrative | 302         | 34      | 34      | 4       | 4       |
| Buildings - Program                |             |         |         |         |         |
| Juvenile Reintegration Center      | 4           | 4       | 4       | 3       | 3       |
| Medical Center/Hospital            | 54          | 57      | 58      | 53      | 53      |
| Rehabilitation Facility            | 5           | 5       | 5       | 7       | 7       |
| Veterans' Center                   | 16          | 16      | 16      | 1       | 1       |
| Vehicles                           | 871         | 871     | 400     | 426     | 426     |
| Corrections:                       |             |         |         |         |         |
| Buildings                          | 406         | 330     | 330     | 330     | 330     |
| Vehicles                           | 439         | 347     | 320     | 355     | 355     |
| Culture and Recreation:            |             |         |         |         |         |
| Vehicles                           | 55          | 54      | 40      | 45      | 45      |
| Museums                            | 13          | 9       | 9       | 4       | 4       |
| Monuments                          | 8           | 7       | 7       | 6       | 6       |
| Natural Resources, Environment:    |             |         |         |         |         |
| Vehicles                           | 261         | 280     | 340     | 380     | 380     |
| State Parks                        | 35          | 35      | 35      | 35      | 35      |
| Wildlife Management Areas (Acres)  | 192,000     | 192,000 | 192,000 | 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  | 12,272  | 26,598  | 26,598  |
| Vehicles/Heavy Equipment           | 6,500       | 6,500   | 6,500   | 6,417   | 6,417   |



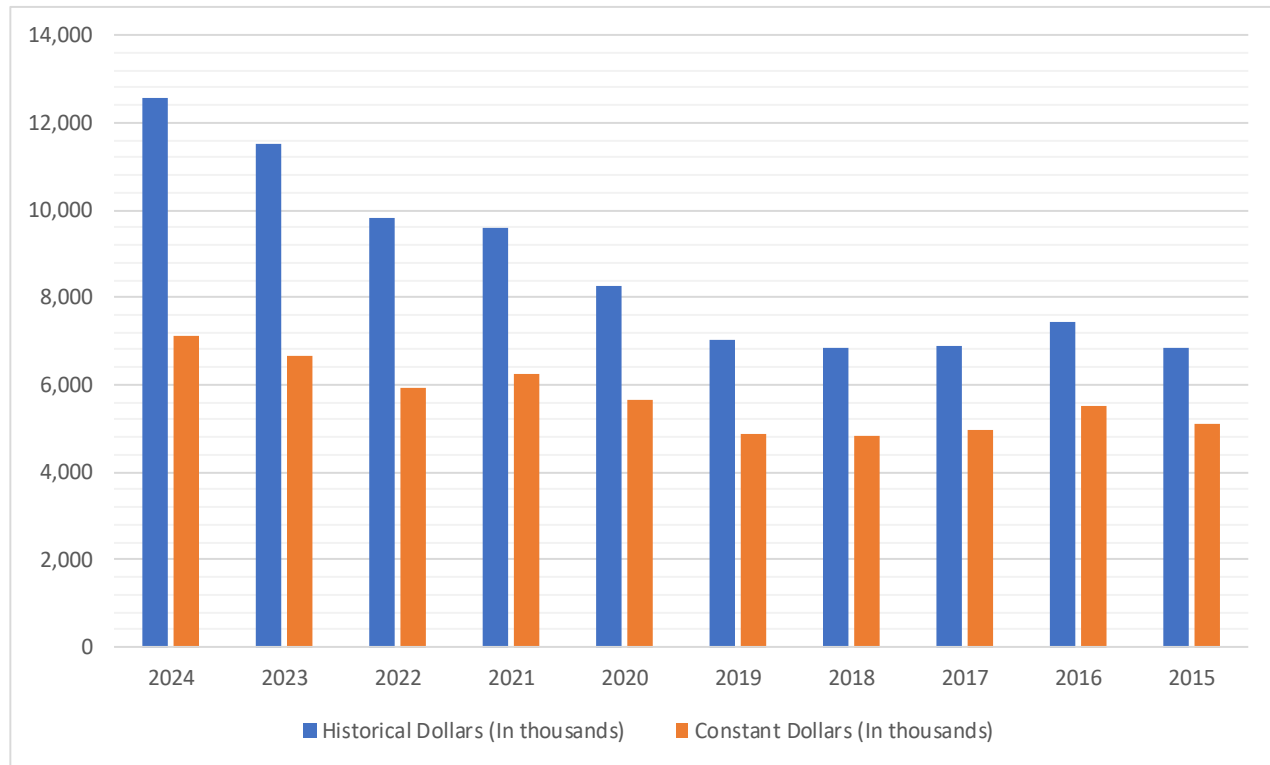
**STATE OF NEW MEXICO  
EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS  
ALL GOVERNMENT FUND TYPES  
LAST TEN FISCAL YEARS**



| Fiscal Year | Expenditures       |        |                  |        |
|-------------|--------------------|--------|------------------|--------|
|             | Historical Dollars |        | Constant Dollars |        |
|             | (in Millions)      | Change | (in Millions)    | Change |
| 2024        | \$ 26,812          | 10.3%  | \$ 15,138        | 7.1%   |
| 2023        | 24,317             | 17.0%  | 14,134           | 12.4%  |
| 2022        | 20,782             | 3.6%   | 12,576           | -4.1%  |
| 2021        | 20,055             | 16.1%  | 13,107           | 10.9%  |
| 2020        | 17,276             | 16.7%  | 11,821           | 15.2%  |
| 2019        | 14,809             | 3.3%   | 10,259           | 1.5%   |
| 2018        | 14,329             | -0.7%  | 10,106           | -3.1%  |
| 2017        | 14,434             | -7.2%  | 10,428           | -9.1%  |
| 2016        | 15,550             | 9.0%   | 11,474           | 7.6%   |
| 2015        | 14,268             | 3.3%   | 10,661           | 12.0%  |

2013 through 2019 are Restated

**STATE OF NEW MEXICO  
PER CAPITA EXPENDITURES  
HISTORICAL AND CONSTANT DOLLARS  
ALL GOVERNMENT FUND TYPES  
LAST TEN FISCAL YEARS**



| Fiscal Year | Expenditures       |        |                  |        |  |
|-------------|--------------------|--------|------------------|--------|--|
|             | Historical Dollars |        | Constant Dollars |        |  |
|             | (in Thousands)     | Change | (in Thousands)   | Change |  |
| 2024        | \$ 12,587          | 9.4%   | \$ 7,106         | 6.3%   |  |
| 2023        | 11,501             | 17.0%  | 6,685            | 12.3%  |  |
| 2022        | 9,834              | 2.7%   | 5,951            | -4.9%  |  |
| 2021        | 9,571              | 16.1%  | 6,255            | 10.9%  |  |
| 2020        | 8,244              | 16.9%  | 5,642            | 15.5%  |  |
| 2019        | 7,050              | 3.1%   | 4,884            | 1.3%   |  |
| 2018        | 6,838              | -0.7%  | 4,823            | -3.1%  |  |
| 2017        | 6,888              | -7.5%  | 4,977            | -9.4%  |  |
| 2016        | 7,447              | 8.6%   | 5,495            | 7.3%   |  |
| 2015        | 6,856              | 12.1%  | 5,123            | 11.9%  |  |

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, 2024, 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 March 25, 2025. 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 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 State of New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of 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  
State of New Mexico

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

### **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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-002.

### **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  
March 25, 2025

**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section I – Summary of Auditors' Results**

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***Financial Statements***

- |  |                    |                     |  |
|--|--------------------|---------------------|--|
| 1. Type of auditors' report issued:                      | Unmodified         |                     |  |
| 2. Internal control over financial reporting:            |                    |                     |  |
| • Material weakness(es) identified?                      | _____ yes          | _____ <u>X</u> no   |  |
| • Significant deficiency(ies) identified?                | _____ <u>X</u> yes | _____ none reported |  |
| 3. Noncompliance material to financial statements noted? | _____ yes          | _____ <u>X</u> no   |  |

**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section II – Financial Statement Findings**

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**2024 – 001 (2022-002) Internal Control over Financial Reporting (Significant Deficiency)**

**Condition:** During the audit we identified the following issues related to the State's internal controls over financial reporting:

- The State has a formalized process to identify intra-entry activity and balances to prepare the necessary elimination entries for the preparation of the State financial statements. However, the State did not completely follow its process to fully eliminate the activity and balances at the State ACFR level.
- During our review of the trial balance reconciliation process performed by the ACFR Unit, it was noted that the process should be improved to incorporate the characterization of activity within a component's accounting records compared to the presentation on the financial statements. For instance, the ACFR Unit should verify the following:
  - Activity recorded to capital outlay accounts compared to additions reflected in the capital asset roll forward. This should include additions to RTUA and SBITA.
  - Activity recorded to debt proceeds and debt payments compared to additions and deletions in the long-term liability roll forward. This should include activity to RTUA and SBITA.
  - Activity recorded as transfers in/out within the chart of accounts should be classified as other financing sources/uses on the respective financial statements, rather than being categorized under programmatic or operating revenue. While the State has established a process to review this activity and ensure its alignment with the respective component financial statements, this process is not being consistently followed. Activity recorded in the capital or operating grant revenue accounts should be reflected as such on the respective statement of activities.

*Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the streams of financial data that flows into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across components in accordance with the Model of Accounting Practices (MAPs). The state has identified occasional instances whereby the accounts were not utilized appropriately. The state continues ongoing review and training for this process to remedy these occasional instances.*

**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 annual comprehensive 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, 2024**

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**Section II – Financial Statement Findings**

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**2024 – 001 (2022-002) Internal Control over Financial Reporting (Significant Deficiency)  
(Continued)**

**Criteria (Continued):** Additionally, in order to achieve a more automated financial statement drafting process, activity needs to be recorded in the proper accounts to appropriately reflect the characterization on the face of the financial statements.

**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 its 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:** The state has made enormous progress in the last few years by updating policies and procedures and working more closely with individual state agencies, however, there remain areas of potential improvement. The state is committed to investing in additional staffing, system updates, and increased training to ensure internal processes and controls are conducive to productive and efficient state government. This includes strengthening accounting principles, policies, and internal control requirements through the Model of Accounting Practices pursuant to § 6-5-2, NMSA 1978. Additionally, enforcement of regulations will remain a priority with additional measures taken by the Financial Controls Division to ensure state agency/component unit and their independent public auditors are held responsible for execution and adherence to § 6-5-2 (C), NMSA 1978, generally accepted accounting principles, and the New Mexico Audit Act. The State Controller and the ACFR Bureau Chief assume responsibility for this mitigation plan with the expectation these issues will be resolved by June 30, 2025.



**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section III – Section 12-6-5 NMSA 1978 findings**

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**2024 – 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, 2024 was not submitted by Regulatory due date of December 31, 2024.

*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 all entities.*

**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:** The State's financial statements, along with their audit, rely on the completion of separately audited financial statements for each component of the State. These individual audits have submission deadlines ranging from November 1 to December 1, after which they undergo final review and approval for release by the Office of the State Auditor before they can be referenced in the State's overall audit. Due to the sequential nature of this process, coupled with the necessary review and clearance requirements, the current reporting framework does not allow for a December 31st submission deadline to be met.

**Recommendation:** We recommend the New Mexico Department of Finance and Administration (DFA) continue to evaluate the entire approach of producing the statewide financial statements and the related processes and methodology to determine which processes could be improved to facilitate DFA's ability to produce a more timely report. In addition, we recommend DFA work with the Office of the State Auditor to determine if the December 31st deadline should be adjusted to a later date that is more realistic with the current reporting framework.

**Views of responsible officials and planned corrective actions:** Management acknowledges this finding. The state has made tremendous progress in improving the timeliness of the ACFR. However, the ACFR's timeliness is still being affected by constraints placed on DFA that prevent completion by the date set forth in the audit rule. DFA will continue to work towards improving processes and procedures to complete the ACFR as soon as possible after year end. The state will also continue to work with the State Auditor as well as the Legislature to enact legislative changes that will facilitate timely submittal of the ACFR, including moving the state towards a single federal audit and singular ACFR. These policies would align the State of New Mexico with the accounting and auditing practices of all other 49 states in the US. The State Controller will be responsible for this mitigation plan. While legislative changes will require extensive negotiation, DFA is committed to working with the legislature and other stakeholders during the next 60-day session in calendar year 2027.

**STATE OF NEW MEXICO  
STATUS OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**Financial Statement Findings**

2023-001 – Internal Control over Financial Reporting – Repeated and Modified

**Section 12-6-5 NMSA 1978 findings**

2023-002 – Late Submission of Audit Report – Repeated and Modified

**STATE OF NEW MEXICO  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2024**

An exit conference was held with the State on March 28, 2025, 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

Kusum Adhikari, SFRAB Deputy 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.