



STATE OF NEW MEXICO

Annual Comprehensive Financial Report



For the Fiscal Year End 2025

Prepared by:
The Department of Finance and Administration

Cabinet Secretary Wayne Propst
Acting State Controller Mark Melhoff

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Santa Fe, NM 87501
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STATE OF NEW MEXICO
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

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INTRODUCTORY SECTION



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, 2025.

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, 2025, 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.

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 slow positive growth in fiscal year 2025, with the real gross domestic product expanding by 1.5 percent on a year-over-year basis. The wages and salaries in the state increased by 5.9 percent and the total personal income grew by 4.7 percent. In the same period, employment in New Mexico increased by 1.97 percent, which means the state added approximately 17,500 jobs. During fiscal year 2025, the Construction, Education and Health Services, State Government, Professional & Business Services, Financial Activities and the Mining sectors created 8,100 jobs, 7,000 jobs, 2,300 jobs, 1,900 jobs, 1,800 jobs, and 700 jobs respectively.

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,

Signed by:

6EB4D958A89A432...
Wayne Propst
Cabinet Secretary

STATE OF NEW MEXICO

SELECTED STATE OFFICIALS

June 30, 2025

Executive

Michelle Lujan Grisham, Governor

Howie Morales, Lieutenant Governor

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

Judicial

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

Legislative - Senate

Mimi Stewart President Pro Tempore	Peter Wirth Majority Floor Leader	William E. Sharer Minority Floor Leader	Michael Padilla Majority Whip
Pat Woods Minority Whip			

Legislative – House of Representatives

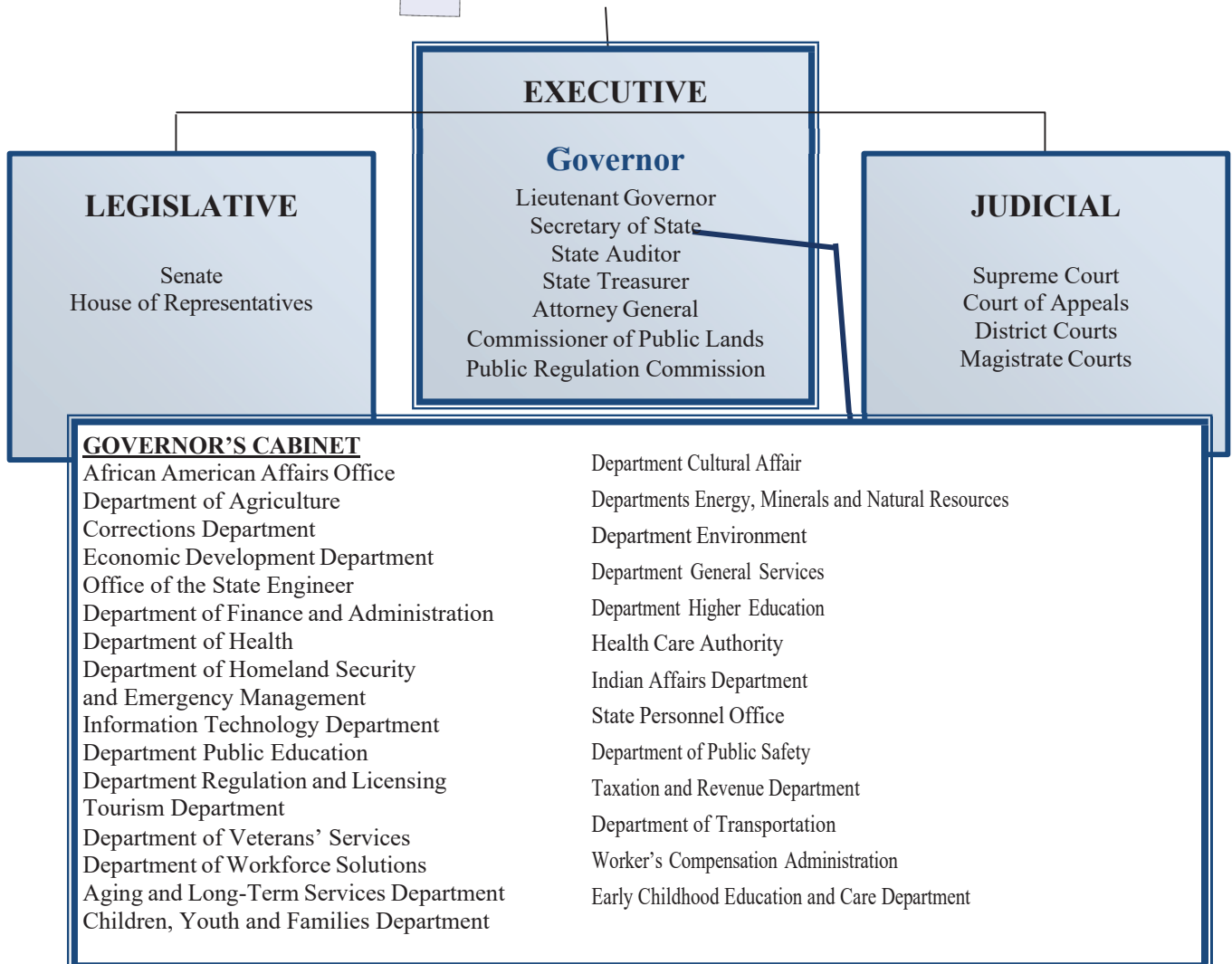
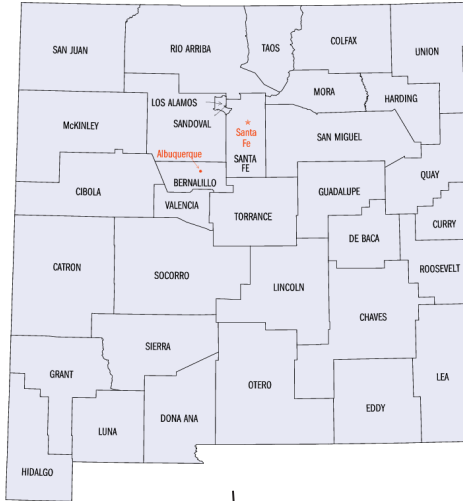
Javier Martinez Speaker of the House	Reena Szczepanski Majority Floor Leader	Gail Armstrong Minority Floor Leader	Dayan Hochman-Vigil Majority Whip
Alan T. Martinez Minority Whip			

STATE OF NEW MEXICO

ORGANIZATIONAL CHART

June 30, 2025

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, 2025, 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, 2025, 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, 2025 audited by other auditors is represented in the following table. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for certain components, is based solely on the reports of the other auditors.

Percentage Audited by Other Auditors

<u>Government-Wide</u>	<u>Total Assets</u>	<u>Total Revenues</u>
Governmental activities	84%	55%
Business-type activities	95%	99%
Aggregate discretely presented component units	60%	66%

Fund Statements

Major governmental fund - General Fund	75%	52%
Major governmental fund - Severance Tax Permanent Fund	100%	100%

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico
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 Administration, and
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 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	75%	59%

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

Change in Accounting Principle

As discussed in Notes 1 and 9 to the financial statements, the State adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, as of July 1, 2024. Accordingly, the beginning net position for the governmental activities has been restated to reflect this change in accounting principle. Our opinions are not modified with respect to this matter.

Restatement

As discussed in Note 9 to the financial statements, opening net position to the government-wide, business-type activities, general fund, capital projects fund, internal service funds, and component units were restated due to various reasons. Our opinions are 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

– 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.

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 6, 2026, 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

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

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 6, 2026

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

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, 2025. 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 2025 with a net position of \$82.3 billion, an increase of \$11.8 billion, or 16.6 percent, from the previous year.
- The net position is comprised of \$10.8 billion in net investment in capital assets, \$75.6 billion in restricted, and a deficit \$4.1 billion in unrestricted, excluding component units.
- As a result of operating activities, the primary government's total net position increased by \$11.8 billion, or 16.6 percent, in fiscal year 2025 when compared to the previous year's ending net position. The net position of governmental activities increased \$11 billion, or 16.2 percent, from previous year's ending net position.
- Program revenues for the primary government increased by \$332.8 million or 1.5 percent on a year to year basis. Taxes and other general revenues increased by 11.8 percent from the previous year. Expenses of \$31.9 billion, increased by \$2.1 billion, with the majority of the increase being in Highway and Transportation and Public Safety.
- The net position of the business-type activities increased by \$802.2 million, excluding the restatement, or 26.1 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 \$279.4 million and a decrease in expenses by \$664.1 million. Program revenue from the prior fiscal year saw a decrease of \$27.8 million, while transfers showed an increase of \$108.7 million.

Long-term Debt

- The State's long-term bonded debt decreased a net of \$522.6 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, 2025**

Fund Level

Governmental Funds

- As of June 30, 2025, the State reported an ending fund balance of \$77 billion, an increase of \$10.9 billion, or 16.5 percent, from fiscal year 2024.
- Year to year there was an increase in revenue of \$2.6 billion, primarily the result of an increase in income taxes and investment income. Year to year, expenditures decreased by \$163.9 million.
- The unassigned fund balance as of the end of fiscal year 2025 was \$962.7 million.

Proprietary Funds

- As of June 30, 2025, the State reported an ending net position of \$3.9 billion, an increase of \$802.2 million, excluding the restatement, or 26.1 percent, from fiscal year 2024.

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.

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.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

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 eighty-three (83) 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:

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

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

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.
- 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.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

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, 2025, were \$103.1 billion, an increase of \$11.6 billion or 12.6 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 \$94.1 billion, an increase of \$11 billion, or 13.2 percent.
- For business-type activities, total assets and deferred outflows were \$9 billion, increase of \$582.7 million or 6.9 percent.
- Total Liabilities and Deferred Inflows as of June 30, 2025, were \$20.9 billion, a decrease of \$171.7 million or 0.8 percent from prior fiscal year.
- Total liabilities and deferred inflows for governmental activities were \$15.7 billion, an increase of \$21.4 million, or 0.14 percent.
- For business-type activities, total liabilities and deferred inflows were \$5.1 billion, a decrease of \$193 million or 3.6 percent.
- The State's total net position of \$82.3 billion was \$11.8 billion or 16.6 percent higher in fiscal year 2025 compared to the prior year. Of the State's net position, \$10 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 \$4.9 billion deficit. Most of this is attributable to the net pension liability and net OPEB liability. The reporting of these long-term liabilities is mandated by the Governmental Accounting Standards Board.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

**State of New Mexico
Net Position as of June 30, 2025
(Expressed in Thousands)**

	Government Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 83,930,831	\$ 73,502,092	\$ 4,851,889	\$ 4,642,652	\$ 88,782,720	\$ 78,144,745
Capital Assets	9,268,007	8,804,293	3,650,828	3,401,101	12,918,835	12,205,395
Total Assets	<u>93,198,838</u>	<u>82,306,385</u>	<u>8,502,717</u>	<u>8,043,753</u>	<u>101,701,555</u>	<u>90,350,138</u>
Deferred Outflows of Resources	922,822	810,428	511,639	394,626	1,434,461	1,205,054
Current Liabilities	6,849,805	7,259,802	887,048	806,495	7,736,853	8,066,297
Long-Term Liabilities	8,153,989	7,540,413	3,872,253	3,847,586	12,026,242	11,387,998
Total Liabilities	<u>15,003,794</u>	<u>14,800,215</u>	<u>4,759,301</u>	<u>4,654,081</u>	<u>19,763,095</u>	<u>19,454,295</u>
Deferred Inflows of Resources	<u>685,201</u>	<u>857,237</u>	<u>404,812</u>	<u>710,250</u>	<u>1,090,013</u>	<u>1,567,488</u>
Net Position:						
Net Investment in Capital Assets	8,158,582	7,590,996	2,648,565	2,396,173	10,807,147	9,987,169
Restricted	73,688,095	63,615,298	1,920,199	1,814,948	75,608,294	65,430,246
Unrestricted	(3,414,012)	(3,746,933)	(718,521)	(1,137,073)	(4,132,533)	(4,884,006)
Total Net Position	<u>\$ 78,432,665</u>	<u>\$ 67,459,361</u>	<u>\$ 3,850,243</u>	<u>\$ 3,074,048</u>	<u>\$ 82,282,908</u>	<u>\$ 70,533,410</u>
Percentage Change in Total Net Position from Prior Year	<u>16.3 %</u>		<u>25.2 %</u>		<u>16.7 %</u>	

Changes in Net Position

The State's change in net position as of June 30, 2025 was \$11.8 billion, which was \$697.3 million more than the 2024 change in net position of \$11.1 billion.

The State earned program revenues of \$22.5 billion, collected tax revenue of \$13.5 billion, and had a gain in general revenues related to investment revenues (expenses) of \$6.7 billion. Total revenues for 2025 were \$43.7 billion, an increase of \$2.8 billion, or 6.7 percent from fiscal year 2024. The expenses of the State were \$31.9 billion, an increase of \$2.0 billion or 6.9 percent, from fiscal year 2024. 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 \$9.4 billion, whereas in fiscal year 2023 this amount was \$7.7 billion.

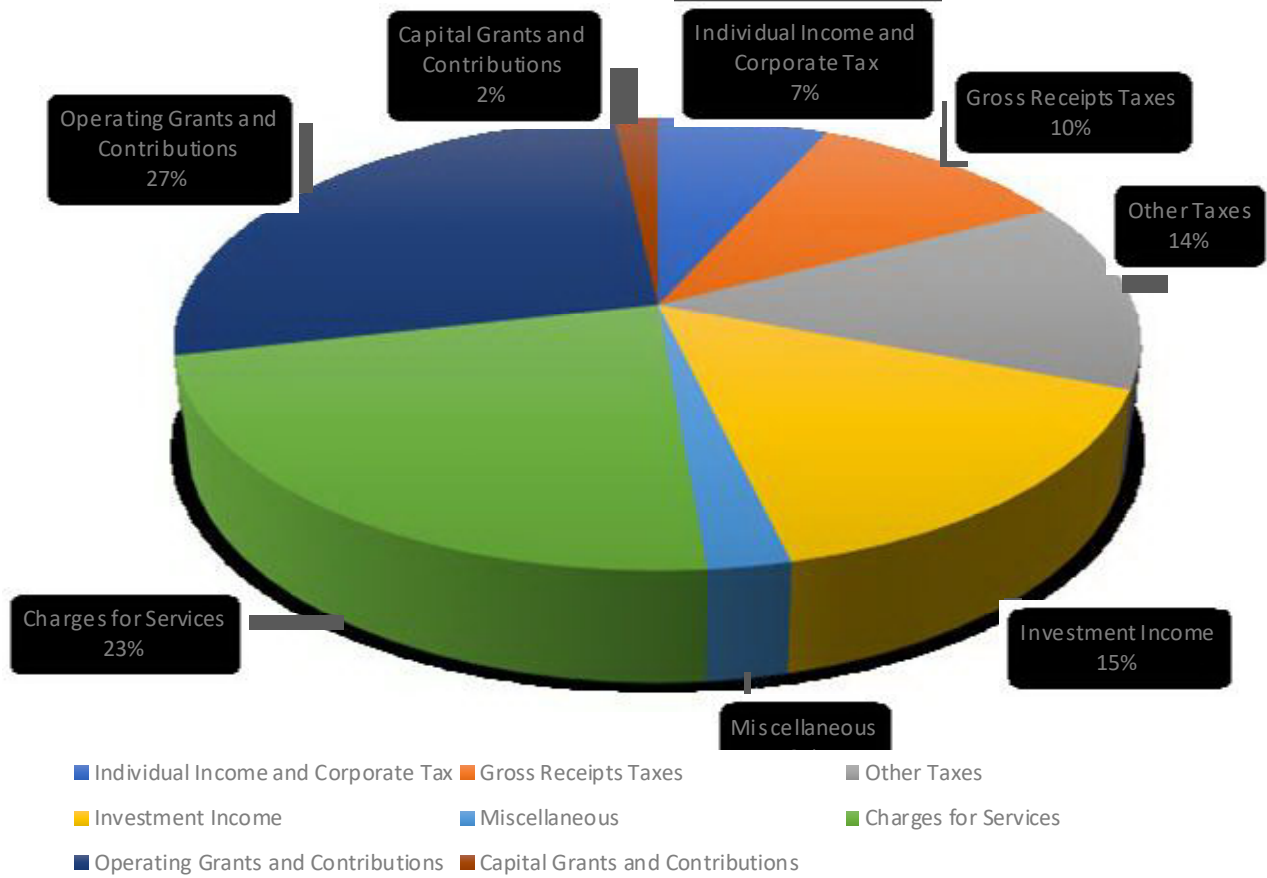
**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2025:

State of New Mexico Changes in Net Position							
For the Fiscal Year Ended June 30, 2025							
<i>(Expressed in Thousands)</i>							
	Government Activities		Business-Type Activities		Total Primary Government		Total Percentage Change 2023 to 2025
	2025	2024	2025	2024	2025	2024	
Revenues							
General Revenues:							
Taxes	\$ 13,519,834	\$ 13,101,548	\$ -	\$ -	\$ 13,519,834	\$ 13,101,548	3.2 %
Other General Revenues	6,995,730	5,301,816	726,544	419,300	7,722,274	5,721,116	35.0
Program Revenues:							
Charges for Services	6,672,307	6,415,807	3,291,383	3,298,220	9,963,690	9,714,027	2.6
Operating Grants and Contributions	11,276,433	11,193,969	476,240	620,393	11,752,673	11,814,362	(0.5)
Capital Grants and Contributions	605,248	583,575	153,561	30,411	758,809	613,986	23.6
Total Revenues	<u>39,069,552</u>	<u>36,596,715</u>	<u>4,647,728</u>	<u>4,368,324</u>	<u>43,717,280</u>	<u>40,965,039</u>	6.7
Expenses							
General Control	2,279,525	2,322,896	-	-	2,279,525	2,322,896	(1.9)
Culture, Recreation, and Natural Resources	571,305	731,495	-	-	571,305	731,495	(21.9)
Highway and Transportation	1,851,434	1,099,613	-	-	1,851,434	1,099,613	68.4
Judicial	447,012	429,703	-	-	447,012	429,703	4.0
Legislative	26,519	38,748	-	-	26,519	38,748	(31.6)
Public Safety	1,188,409	912,554	-	-	1,188,409	912,554	30.2
Regulation and Licensing	293,826	332,214	-	-	293,826	332,214	(11.6)
Health and Human Services	13,752,453	13,075,258	-	-	13,752,453	13,075,258	5.2
Education	5,968,592	6,044,528	-	-	5,968,592	6,044,528	(1.3)
Indirect Interest on Long-Term Debt	56,004	72,896	-	-	56,004	72,896	(23.2)
Educational Institutions	-	-	4,430,383	3,954,505	4,430,383	3,954,505	12.0
Public Schools Insurance	-	-	608,484	530,541	608,484	530,541	14.7
Environmental Loans	-	-	5,740	1,384	5,740	1,384	100.0
Miners' Colfax Medical Center	-	-	35,310	36,736	35,310	36,736	(3.9)
Unemployment Insurance	-	-	333,650	223,018	333,650	223,018	49.6
State Fair	-	-	19,201	17,535	19,201	17,535	9.5
Other Business-Type Activities	-	-	20,932	25,916	20,932	25,916	(19.2)
Total Expenses	<u>26,435,079</u>	<u>25,059,905</u>	<u>5,453,700</u>	<u>4,789,635</u>	<u>31,888,779</u>	<u>29,849,541</u>	6.8
Excess Before Transfers	12,634,473	11,536,810	(805,972)	(421,311)	11,828,501	11,115,499	
Transfers	(1,608,223)	(1,499,482)	1,608,223	1,499,482	-	-	
Change in Net Position	<u>11,026,250</u>	<u>10,037,328</u>	<u>802,251</u>	<u>1,078,171</u>	<u>11,828,501</u>	<u>11,115,499</u>	6.4
Net Position -							
Beginning, as Reported	67,459,361	57,422,033	3,074,048	1,934,108	70,533,409	59,356,141	
Restatement	(52,946)	-	(26,056)	61,769	(79,002)	61,769	
Beginning, as Restated	<u>67,406,415</u>	<u>57,422,033</u>	<u>3,047,992</u>	<u>1,995,877</u>	<u>70,454,408</u>	<u>59,417,910</u>	
Net Position - Ending	<u>\$ 78,432,665</u>	<u>\$ 67,459,361</u>	<u>\$ 3,850,243</u>	<u>\$ 3,074,048</u>	<u>\$ 82,282,909</u>	<u>\$ 70,533,409</u>	16.7

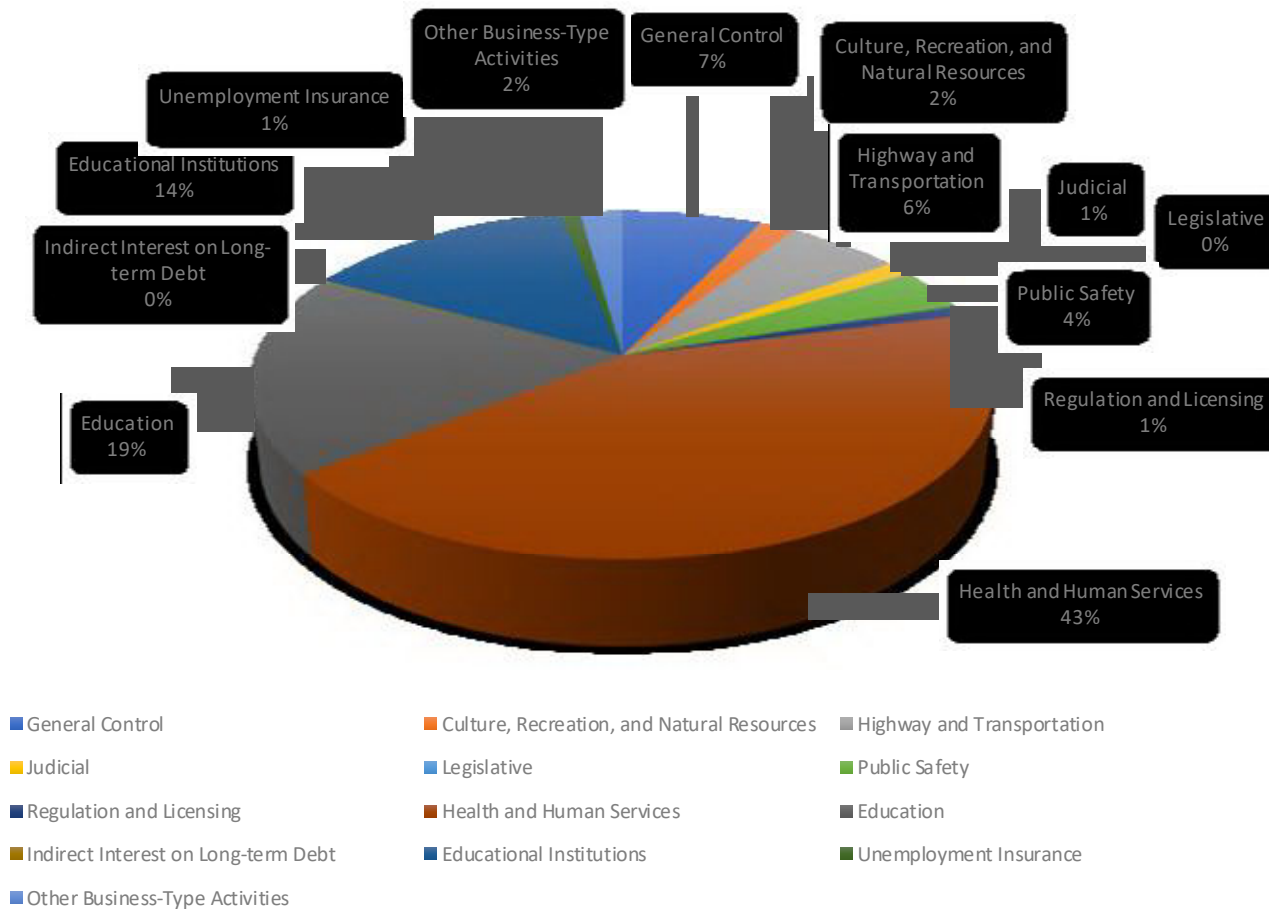
STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

State of New Mexico - Total Revenues - FY 2025



**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

State of New Mexico - Total Expenses - FY 2025



Governmental Activities

Governmental activities program revenue was \$18.6 billion, consisting of operating grants and contributions of \$11.3 billion, capital grants and contributions of \$605 million, and \$6.7 billion in service charges. Program revenues increased \$361.6 million from the prior fiscal year, the result of an increase of \$256.5 million in charges for services, an \$82.5 million increase in operating grants and contributions, and an increase of \$21.7 million in capital grants and contributions. Governmental activities expenses increased by \$2.1 billion year to year bringing the total to \$26.5 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.

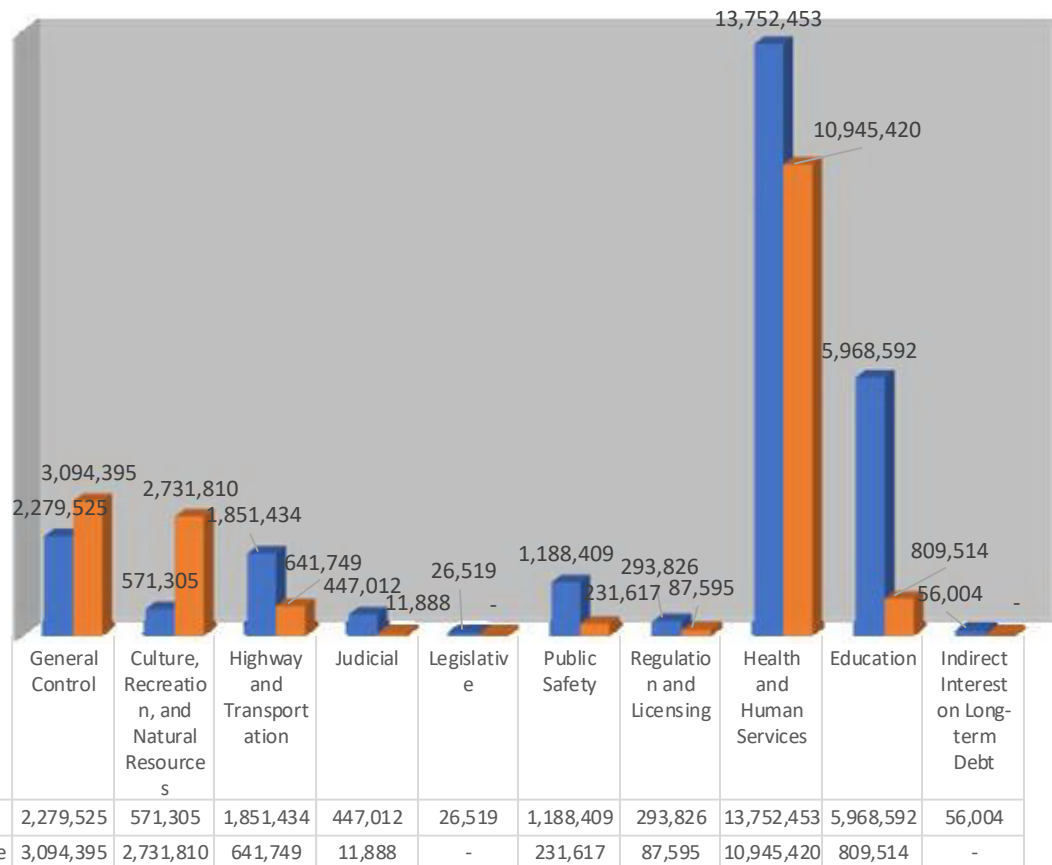
The following table shows to what extent the State's governmental activities relied on taxes and other general revenues to cover all of their costs. For fiscal year 2025, state taxes and other general revenues covered 70.1 percent of expenses. The remaining 29.9 percent of the total expenses was covered by charges for services and grants and contributions.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

**State of New Mexico
Net Program Costs as of June 30, 2025
(Expressed in Thousands)**

	Program Expenses	Less Program Revenues	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
	2025	2025	2025	2024	2025	2024
General Control	\$ 2,279,525	\$ (3,094,395)	\$ 814,870	\$ 1,236,303	135.7 %	(153.2)%
Culture, Recreation, and Natural Resources	571,305	(2,731,810)	2,160,505	1,953,884	478.2	(367.1)
Highway and Transportation	1,851,434	(641,749)	(1,209,685)	(406,102)	34.7	(63.1)
Judicial	447,012	(11,888)	(435,124)	(409,319)	2.7	(4.7)
Legislative	26,519	-	(26,519)	(38,748)	-	-
Public Safety	1,188,409	(231,617)	(956,792)	(625,773)	19.5	(31.4)
Regulation and Licensing	293,826	(87,595)	(206,231)	(243,607)	29.8	(26.7)
Health and Human Services	13,752,453	(10,945,420)	(2,807,033)	(3,388,430)	79.6	(74.1)
Education	5,968,592	(809,514)	(5,159,078)	(4,871,866)	13.6	(19.4)
Indirect Interest on Long-Term Debt	56,004	-	(56,004)	(72,896)	-	-
Total	\$ 26,435,079	\$ (18,553,988)	\$ (7,881,091)	\$ (6,866,554)	70.2 %	(72.6)%

State of New Mexico
Expenses and Program Revenues: Governmental Activities
For the Fiscal Year Ended June 30, 2025



**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

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 \$476.2 million, and \$153.6 million in capital grants and contributions. Total program revenues were \$27.8 million less than prior year, mostly attributable to the education institutions. The total expenses for business-type activities were \$5.5 billion, an increase of \$0.5 billion from the prior year. The largest changes occurred in the unemployment insurance function, where expenses increased by \$110.6 million versus the prior year, and in the educational institutions function where expenses increased by \$475.9 million. Changes in net position were \$801.9 million versus \$1.8 billion in the previous year, a decrease of \$276 million.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, 2025, the State's governmental funds reported combined ending fund balances of \$77 billion. The State reported \$75.4 billion, or 97.9 percent, as restricted, including \$36.5 billion related to the Land Grant Fund, and \$11.7 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, 2025. The committed, assigned, nonspendable, and unassigned classifications of fund balance totaled \$1.6 billion or 2.1 percent.

**State of New Mexico
Fund Balances as of June 30, 2025
(Expressed in Thousands)**

	General Fund	Severance Tax	Land Grant	Nonmajor Governmental Funds	Totals Governmental Funds
Nonspendable	\$ 201,052	\$ -	\$ -	\$ 2,000	\$ 203,052
Restricted	20,263,959	11,742,912	36,435,609	7,005,911	75,448,391
Committed	145,700	-	-	2,520	148,220
Assigned	234,252	-	-	-	234,252
Unassigned	1,003,543	-	(1)	(40,843)	962,699
Total	<u>\$ 21,848,506</u>	<u>\$ 11,742,912</u>	<u>\$ 36,435,608</u>	<u>\$ 6,969,588</u>	<u>\$ 76,996,614</u>
Percent Change from Prior Year	<u>19.9 %</u>	<u>20.5 %</u>	<u>13.5 %</u>	<u>15.1 %</u>	<u>16.4 %</u>

Governmental Funds

General Fund

General Fund balance at June 30, 2025 totaled \$21.8 billion. Net change in General Fund balance, was an increase of \$3.6 billion. The General Fund ended the fiscal year 2025 with an unassigned fund balance of \$1 billion.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Budgetary Highlights – General Fund

The initial fiscal year 2025 budget was adopted by the Legislature during the 2024 Regular Session. The General Fund original budgeted revenues for fiscal year 2025 were slightly less than the fiscal year 2024 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, 2025, totaled \$11.7 billion, an increase of \$2 billion, or 20.5 percent, related to an increase in transfers in from other funds.

Land Grant Fund

Fund balance at June 30, 2025 is totaled \$36.4 billion, there's an increase of \$4.3 billion, or 13.5 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 \$3.9 billion, an increase of \$775.7 million from the prior year net position.

Educational Institutions

Net Position at June 30, 2025, totaled \$2.809 billion. Current period activity increased the Net Position of the State's educational institutions by \$817.9 million, or 40.6 percent. For the fiscal year 2025, the State transferred \$1.6 billion to the State's educational institutions, an increase of \$108.7 million, or 7.3 percent from fiscal year 2024.

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, 2025**

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Asset Activity

As of June 30, 2025, the State's net investment in capital assets, for governmental activities totaled \$8.2 billion and \$2.6 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 8.2 percent in total, including a 7.4 percent increase for governmental activities, and an increase of 10.5 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, 2025:

**State of New Mexico
Bond Ratings at June 30, 2025**

Bonds	Moody's	Standard & Poor's
General Obligation Bonds	Aa2/Positive	AA/Stable
Severance Tax Bonds	Aa3/Positive	AA-/Stable
Supplemental Severance Tax Bonds	A1/Positive	A+/Stable
State Transportation Revenue Bonds Senior Lien	Aa1/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, 2025**

ECONOMIC CONDITIONS AND OUTLOOK

Economic Factors Affecting New Mexico's Fiscal Year 2025 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 S&P 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 2.3 percent in fiscal year 2025, demonstrating continued economic resilience. In fiscal years 2023 and 2024, growth was constrained by elevated inflation and recessionary concerns. Moderate expansion in FY25 reflects the lingering effects of Federal Reserve interest rate increases implemented to curb persistent inflation by cooling economic activity and the labor market without triggering a recession.

Inflation continued to moderate during FY25, declining from a peak of 8.4 percent in FY23 to 2.6 percent by the end of the fiscal year. However, in the latter half of FY25 (January 2025 to June 2025), the transition to a new federal administration and shifts in trade and immigration policies introduced additional uncertainty into the macroeconomic outlook. Emerging trade tensions and tighter immigration restrictions have begun to weigh on labor force growth and overall economic momentum. Notably, inflation has trended upward in the second half of 2025. According to the Bureau of Labor Statistics, the September 2025 inflation rate for all items reached 3.0 percent, while the rate for all items excluding food and energy was also 3.0 percent.

In fiscal year 2025, total US employment increased by 1.52 million, representing 1% year-over-year growth from fiscal year 2024. Average hourly wages in the U.S. increased by 3.7%, which was higher than the 2.6% inflation rate.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

In fiscal year 2026, the US economy is anticipated to experience sluggish but positive economic growth. Real GDP growth remains below its long-term trend through calendar year 2026, averaging around 2 percent in fiscal year 2026 and 1.9 percent in fiscal year 2027, as high tariffs, slower immigration, and weak job creation weigh on output. According to Moody's Analytics, the Federal Reserve will continue a gradual easing cycle, cutting the federal funds rate from 3.75 percent to roughly 2.75 percent by calendar year 2027 to support an economy facing higher prices from trade frictions and fading fiscal stimulus. The Federal Reserve has reduced interest rates by .25 percentage points in September, October, and December 2025. Moody's Analytics also expects inflation to edge higher through 2026 due to tariff-driven cost pressures before gradually converging toward the 2 percent target in 2027.

New Mexico Economy

New Mexico's economy showed slow positive growth in fiscal year 2025, with the real gross domestic product expanding by 1.5 percent on a year-over-year basis. The wages and salaries in the state increased by 5.9 percent and the total personal income grew by 4.7 percent. In the same period, employment in New Mexico increased by 1.97 percent, which means the state added approximately 17,500 jobs. During fiscal year 2025, the Construction, Education and Health Services, State Government, Professional & Business Services, Financial Activities and the Mining sectors created 8,100 jobs, 7,000 jobs, 2,300 jobs, 1,900 jobs, 1,800 jobs, and 700 jobs respectively.

Oil prices were lower in fiscal year 2025 compared to fiscal year 2024. However, this has been offset by continued record levels of oil production in fiscal year 2025. Oil production in fiscal year 2025 reached 775 million barrels. The record levels of oil production are expected to moderate as the Permian Basin matures. Natural gas prices remained lower in fiscal year 2025. Average New Mexico prices in fiscal year 2025 for crude oil and natural gas were \$69.18 per barrel and \$3.25 per mcf, respectively.

General Fund Revenue and Reserve Outlook

According to the December 2025 consensus revenue estimate, fiscal year 2025 recurring revenues increased by 4.2 percent compared to fiscal year 2024, reaching a total of \$13.596 billion. This growth is primarily driven by increases in general sales and interest earnings, which rose by 6.1 percent and 10.4 percent, respectively. While underlying personal income tax revenues continue to expand, recent legislative adjustments resulted in a slight year-over-year decline of 2.9 percent.

For fiscal year 2025, ending reserves total \$3.18 billion, representing 31.1 percent of recurring appropriations, compared with 33 percent, or \$3.16 billion, in the prior year. While reserve balances increased modestly in dollar terms, higher recurring appropriations reduced the reserve ratio.

For Fiscal Year 2026, recurring revenues are projected to decline slightly by 1.6 percent compared with Fiscal Year 2025, while non-oil and natural gas-related revenues are expected to grow modestly by 0.9 percent. On a year-over-year basis, gross receipts tax revenue is estimated to increase by 3.6 percent, while total income tax revenue is projected to decline by 17 percent. This decline does not reflect underlying economic weakness; instead, base income tax revenues are growing moderately. The projected decrease is primarily attributable to recent state legislative changes and the impacts of federal legislation (H.R. 1), particularly on corporate income tax collections.

**STATE OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Grand total revenue is projected to grow at a modest but steady pace 0.9 percent in FY26, 1.2 percent in FY27, and 3.9 percent in FY28, supported in FY26 by significant nonrecurring revenue from the State Land Office that offsets the decline in recurring revenue.

The December 2025 consensus estimate also projects State Land Office (SLO) revenue for FY26 at \$511.9 million, which is \$362.6 million above the expected annual baseline revenue of \$149.3 million. This above-trend revenue is considered one-time in nature and is largely attributable to recent SLO actions that released previously restricted state lands and generated pent-up demand for valuable leases. As such, the excess is classified as nonrecurring revenue. This temporary increase also helps offset projected declines in corporate and personal income tax revenues for FY26.

The modest decline in recurring revenue reflects broader national economic headwinds identified by forecasters such as Moody's Analytics, including slower GDP growth, softening labor market conditions, and tariff-related inflationary pressures that are expected to constrain consumer and business activity. Nevertheless, the December 2025 consensus forecast projects overall state revenues to remain positive, underscoring New Mexico's relative economic resilience amid a subdued national outlook.

Oil and natural gas-related revenues, including severance taxes and federal mineral leasing receipts, are expected to remain relatively flat. This is largely due to Senate Bill 26 (2023), which caps general fund growth from the oil and gas emergency school tax and federal mineral leasing revenues at FY23 levels. Under the statute, revenues above the cap are redirected to the Severance Tax Permanent Fund, supporting long-term investment rather than short-term general fund growth.

Finally, total interest earnings, including distributions from the Land Grant Permanent Fund and the Severance Tax Permanent Fund, are projected to increase by 7 percent, or approximately \$145 million, in FY26. Interest earnings are expected to continue growing and represent an increasingly significant source of general fund revenue. FY26 ending reserves are projected at \$3.37 billion, or 31.2 percent of recurring appropriations (pending 2026 legislative actions).

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, 2025
(IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 4,154,796	\$ 1,036,930	\$ 5,191,726	\$ 287,753
Cash and Cash Equivalents - Restricted	-	49,881	49,881	436,360
Investment in State General Fund Investment Pool	15,436,114	257,241	15,693,355	-
Investment in Local Government Investment Pool	-	132,793	132,793	54,397
Internal Balances	123,209	(123,209)	-	-
Due from Component Units	5,135	17,478	22,613	2
Due from Primary Government	-	-	-	47,756
Receivables, Net	7,427,821	974,697	8,402,518	261,729
Investments	56,627,688	628,484	57,256,172	94,770
Prepaid Expenses	-	-	-	2,105
Inventories	39,677	40,466	80,143	164
Other Current Assets	16,958	33,613	50,571	21,139
Total Current Assets	<u>83,831,398</u>	<u>3,048,374</u>	<u>86,879,772</u>	<u>1,206,175</u>
Noncurrent Assets:				
Unrestricted Cash and Cash Equivalents	-	73,790	73,790	-
Restricted Cash and Cash Equivalents	-	156,608	156,608	146,859
Restricted Investments	-	164,689	164,689	1,061,949
Loans Receivable, Net	50,701	327,335	378,036	4,198,716
Receivables, Net	16,432	-	16,432	-
Due from Component Units	-	240,503	240,503	-
Investments	-	830,469	830,469	1,221,955
Net Pension Assets	32,300	-	32,300	-
Other Noncurrent Assets	-	10,121	10,121	33,376
Nondepreciable Capital Assets	2,370,284	1,018,792	3,389,076	89,293
Other Capital Assets, Net	6,897,723	2,632,036	9,529,759	314,108
Total Noncurrent Assets	<u>9,367,440</u>	<u>5,454,343</u>	<u>14,821,783</u>	<u>7,066,256</u>
Total Assets	93,198,838	8,502,717	101,701,555	8,272,431
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Other	-	-	-	963
Interest Rate Swaps	-	592	592	-
Deferred Charge on Refunding	9,793	6,837	16,630	-
Deferred Outflows - OPEB	130,816	75,045	205,861	38,017
Deferred Outflows - Pension	782,213	429,165	1,211,378	104,569
Total Deferred Outflows of Resources	<u>922,822</u>	<u>511,639</u>	<u>1,434,461</u>	<u>143,549</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 2,577,739	\$ 161,575	\$ 2,739,314	\$ 27,976
Accrued Liabilities	67,908	58,536	126,444	32,817
Accrued Interest	29,317	-	29,317	-
Unearned Revenue	259,773	104,049	363,822	2,391
Due to Primary Government	-	-	-	26,238
Due to Component Units	36,619	-	36,619	-
Intergovernmental Payables	393,566	-	393,566	-
Other Obligations	1,690,620	-	1,690,620	-
Funds Held for Others	919,011	12,389	931,400	10,662
Other Liabilities	3	276,059	276,062	588,003
Bonds Payable - Current Portion	405,481	54,411	459,892	219,533
Other Long-Term Liabilities, Current Portion	469,768	220,029	689,797	59,014
Total Current Liabilities	<u>6,849,805</u>	<u>887,048</u>	<u>7,736,853</u>	<u>966,634</u>
Noncurrent Liabilities:				
Bonds Payable, Net of Current Portion	2,165,145	537,086	2,702,231	3,907,928
Due to Primary Government	-	-	-	240,503
Due to Component Units	-	-	-	-
Net Pension Liability	4,627,961	2,353,228	6,981,189	342,346
Net OPEB Liability	424,872	335,996	760,868	46,350
Other Liabilities, Net of Current Portion	936,011	645,943	1,581,954	107,658
Total Noncurrent Liabilities	<u>8,153,989</u>	<u>3,872,253</u>	<u>12,026,242</u>	<u>4,644,785</u>
Total Liabilities	15,003,794	4,759,301	19,763,095	5,611,419
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension	52,689	175,244	227,933	38,701
Deferred Inflows - OPEB	322,678	115,847	438,525	41,223
Deferred Inflows - Leases	309,834	106,882	416,716	-
Deferred Inflows - Other	-	6,839	6,839	25,704
Total Deferred Inflows of Resources	<u>685,201</u>	<u>404,812</u>	<u>1,090,013</u>	<u>105,628</u>
NET POSITION				
Net Investment in Capital Assets	8,158,582	2,648,565	10,807,147	135,880
Restricted for:				
Nonexpendable:				
Financial Aid	-	245,128	245,128	-
Endowment	343	223,119	223,462	-
Other Purposes	-	15,900	15,900	2,124,677
Expendable:				
Education	-	46,658	46,658	-
Debt Service	1,100,468	54,193	1,154,661	356,610
Capital Projects	5,897,657	191,779	6,089,436	-
Scholarships	-	84,170	84,170	-
Unemployment and Insurance	-	498,297	498,297	-
Loan Programs	-	490,735	490,735	-
Land Grant Perm Fund - SIC	36,435,609	-	36,435,609	-
Severance Tax Perm Fund - SIC	11,742,912	-	11,742,912	-
Tax Stabilization (Public Peace, Health, and Safety)	2,335,262	-	2,335,262	-
Equity Childhood Education and Care	7,962,702	-	7,962,702	-
Other Purposes	8,213,142	70,220	8,283,362	107,047
Unrestricted (Deficit)	<u>(3,414,012)</u>	<u>(718,521)</u>	<u>(4,132,533)</u>	<u>(25,281)</u>
Total Net Position	<u>\$ 78,432,665</u>	<u>\$ 3,850,243</u>	<u>\$ 82,282,908</u>	<u>\$ 2,698,933</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(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	
Primary Government:								
Governmental Activities:								
General Control	\$ 2,279,525	\$ 2,969,112	\$ 125,283	\$ -	\$ 814,870	\$ -	\$ 814,870	\$ -
Culture, Recreation, and Natural Resources	571,305	2,624,330	84,451	23,029	2,160,505	-	2,160,505	-
Highway and Transportation	1,851,434	18,947	40,871	581,931	(1,209,685)	-	(1,209,685)	-
Judicial	447,012	8,747	3,141	-	(435,124)	-	(435,124)	-
Legislative	26,519	-	-	-	(26,519)	-	(26,519)	-
Public Safety	1,188,409	10,082	221,247	288	(956,792)	-	(956,792)	-
Regulation and Licensing	293,826	53,698	33,897	-	(206,231)	-	(206,231)	-
Health and Human Services	13,752,453	976,164	9,969,256	-	(2,807,033)	-	(2,807,033)	-
Education	5,968,592	11,227	798,287	-	(5,159,078)	-	(5,159,078)	-
Interest on Long-Term Debt	56,004	-	-	-	(56,004)	-	(56,004)	-
Total Governmental Activities	26,435,079	6,672,307	11,276,433	605,248	(7,881,091)	-	(7,881,091)	-
Business-Type Activities:								
Educational Institutions	4,430,383	2,481,571	476,240	153,561	-	(1,319,011)	(1,319,011)	-
Public Schools Insurance	608,484	538,939	-	-	-	(69,545)	(69,545)	-
Environmental Loans	5,740	650	-	-	-	(5,090)	(5,090)	-
Miners' Colfax Medical Center	35,310	31,339	-	-	-	(3,971)	(3,971)	-
Unemployment Insurance	333,650	200,405	-	-	-	(133,245)	(133,245)	-
State Fair - EXPO	19,201	15,688	-	-	-	(3,513)	(3,513)	-
Other Business-type Activities	20,932	22,791	-	-	-	1,859	1,859	-
Total Business-Type Activities	5,453,700	3,291,383	476,240	153,561	-	(1,532,516)	(1,532,516)	-
Total Primary Government	\$ 31,888,779	\$ 9,963,690	\$ 11,752,673	\$ 758,809	\$ (7,881,091)	\$ (1,532,516)	\$ (9,413,607)	-
Discretely Presented Component Units								
Major Component Units	\$ 395,540	\$ 345,862	\$ 80,329	\$ -	\$ -	\$ -	\$ -	30,651
Nonmajor Component Units	403,754	9,207	84,377	29,488	-	-	-	(280,682)
Total Component Unit Activities	\$ 799,294	\$ 355,069	\$ 164,706	\$ 29,488	-	-	-	(250,031)
GENERAL REVENUES								
Taxes:								
Individual Income					2,141,572	-	2,141,572	-
Corporate Income					801,615	-	801,615	-
Gross Receipts Taxes					4,597,790	-	4,597,790	-
Business Privilege					5,950,947	-	5,950,947	-
Other Taxes					27,910	-	27,910	-
Payment to the State of New Mexico					-	-	-	588,156
Payment from State of New Mexico					-	-	-	(48,168)
Investment Income					6,547,314	155,389	6,702,703	161,952
Miscellaneous					448,416	571,155	1,019,571	(64,843)
Transfers, Net					(1,608,223)	1,608,223	-	-
Total Net General Revenues and Transfers					18,907,341	2,334,767	21,242,108	637,097
CHANGES IN NET POSITION					11,026,250	802,251	11,828,501	387,066
Net Position - Beginning, as Originally Reported					67,459,361	3,074,048	70,533,409	2,319,772
Restatement (See Note 9)					(52,946)	(26,056)	(79,002)	(7,905)
Net Position - Beginning, as Restated					67,406,415	3,047,992	70,454,407	2,311,867
NET POSITION - ENDING					\$ 78,432,665	\$ 3,850,243	\$ 82,282,908	\$ 2,698,933

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, 2025
(IN THOUSANDS)**

	General Fund	Severance Tax Fund	Land Grant Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,240,584	\$ 744,777	\$ 2,151,737
Investment in the State General Fund Investment Pool	7,712,358	140,545	410,151
Due from Other Funds	339,443	586,623	393,365
Due from Educational Institutions Fund	-	-	-
Due from Federal Government	1,983,268	-	-
Due from Local Governments	30,772	-	-
Due from Component Units	5,028	-	-
Receivables, Net	3,515,087	526,780	1,351,139
Investments	13,762,193	9,907,925	32,945,475
Inventories	39,677	-	-
Other Assets	16,958	-	-
	\$ 28,645,368	\$ 11,906,650	\$ 37,251,867
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,369,864	\$ 163,738	\$ 816,258
Accrued Liabilities	67,036	-	-
Due to Other Funds	1,468,613	-	-
Due to Component Units	36,619	-	-
Intergovernmental Payables	288,017	-	-
Funds Held For Others	918,690	-	-
Other Obligations	1,686,380	-	1
Unearned Revenue	215,852	-	-
Total Liabilities	6,051,071	163,738	816,259
DEFERRED INFLOWS OF RESOURCES			
Leases	309,795	-	-
Unavailable Revenues	435,996	-	-
Total Deferred Inflows of Resources	745,791	-	-
FUND BALANCES			
Nonspendable	201,052	-	-
Restricted	20,263,959	11,742,912	36,435,609
Committed	145,700	-	-
Assigned	234,252	-	-
Unassigned (Deficit)	1,003,543	-	(1)
Total Fund Balances	21,848,506	11,742,912	36,435,608
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,645,368	\$ 11,906,650	\$ 37,251,867

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 17,698	\$ 4,154,796
Investment in the State General Fund Investment Pool	6,923,576	15,186,630
Due from Other Funds	345,289	1,664,720
Due from Educational Institutions Fund	-	-
Due from Federal Government	-	1,983,268
Due from Local Governments	-	30,772
Due from Component Units	107	5,135
Receivables, Net	60,887	5,453,893
Investments	12,095	56,627,688
Inventories	-	39,677
Other Assets	-	16,958
	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,359,652</u>	<u>\$ 85,163,537</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 170,666	\$ 2,520,526
Accrued Liabilities	127	67,163
Due to Other Funds	65,237	1,533,850
Due to Component Units	-	36,619
Intergovernmental Payables	105,514	393,531
Funds Held For Others	321	919,011
Other Obligations	4,239	1,690,620
Unearned Revenue	43,920	259,772
Total Liabilities	<u>390,024</u>	<u>7,421,092</u>
 DEFERRED INFLOWS OF RESOURCES		
Leases	39	309,834
Unavailable Revenues	1	435,997
Total Deferred Inflows of Resources	<u>40</u>	<u>745,831</u>
 FUND BALANCES		
Nonspendable	2,000	203,052
Restricted	7,005,911	75,448,391
Committed	2,520	148,220
Assigned	-	234,252
Unassigned (Deficit)	(40,843)	962,699
Total Fund Balances	<u>6,969,588</u>	<u>76,996,614</u>
	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,359,652</u>	<u>\$ 85,163,537</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, 2025
(IN THOUSANDS)**

Total Fund Balances - Governmental Funds \$ 76,996,614

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 \$29,936 ISF)	\$ 2,340,348	
Buildings, Equipment, Infrastructure, and Other Depreciable Assets (Not Including \$272,572 in Internal Service Fund Balances)	13,867,789	
Accumulated Depreciation (Less \$193,029 ISF)	<u>(7,049,609)</u>	9,158,528

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. 435,997

The deferred charge on bond refunding issues is not recognized in the governmental funds, but is recognized in the government-wide statements. 9,793

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. 32,300

The pension and OPEB-related deferred outflows of resources are not recognized in the government-wide statements, and neither are the deferred inflows of resources. (Less \$10,960 and \$4,569 for ISF)	902,069	
	<u>(370,798)</u>	531,271

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. (264,688)

Accrued interest payable is not recognized in the governmental funds statements. (29,317)

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 \$54,767)	(4,573,194)	
Net OPEB Liability (Less ISF \$5,370)	(419,502)	
Bonds Payable, Including Bond Premiums Net of Amortization	(2,570,626)	
Lease and SBITA Liabilities Not Recognized in Governmental Funds (Less ISF \$12,554)	(542,682)	
Compensated Absences, Notes Payable, Contingent Liabilities, and Other Liabilities (Less \$2,929 ISF)	<u>(331,829)</u>	<u>(8,437,833)</u>

Total Net Position - Governmental Activities \$ 78,432,665

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, 2025
(IN THOUSANDS)

	General Fund	Severance Tax Fund	Land Grant Fund
REVENUES			
Taxes:			
General and Selective Taxes	\$ 8,333,780	\$ -	\$ -
Income Taxes	2,925,559	-	-
Total Taxes	11,259,339	-	-
Other Revenues:			
Federal Revenue	11,856,606	-	-
Investment Income	1,884,909	995,428	3,456,603
Rentals and Royalties	5,362,094	-	-
Charges for Services	200,730	-	-
Licenses, Fees, and Permits	412,529	-	-
Assessments	304,536	-	-
Miscellaneous and Other	443,735	-	362
Total Revenues	31,724,478	995,428	3,456,965
EXPENDITURES			
Current:			
Culture, Recreation, and Natural Resources	454,450	-	-
Education	5,601,002	-	-
General Control	898,589	-	-
Health and Human Services	13,582,182	-	-
Highway and Transportation	1,155,304	-	-
Judicial	495,630	-	-
Legislative	55,760	-	-
Public Safety	1,170,508	-	-
Regulation and Licensing	263,049	-	-
Capital Outlay	628,731	-	-
Debt Service:			
Principal	152,914	-	-
Interest and Other Charges	42,736	-	-
Total Expenditures	24,500,855	-	-
EXCESS REVENUES OVER (UNDER)			
EXPENDITURES	7,223,623	995,428	3,456,965
OTHER FINANCING SOURCES (USES)			
Bonds Issued	-	-	-
Bond Premium	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-
Proceeds from the Sale of Capital Assets	4,839	-	-
Transfers In	2,029,721	1,348,513	2,428,596
Transfers Out	(5,713,187)	(347,975)	(1,543,052)
Leases and SIBTAs	73,890	-	-
Total Other Financing Sources (Uses)	(3,604,737)	1,000,538	885,544
NET CHANGE IN FUND BALANCES	3,618,886	1,995,966	4,342,509
Fund Balance - Beginning	18,204,259	9,746,946	32,093,099
Restatement (See Note 9)	25,361	-	-
Fund Balance - Beginning, as Restated	18,229,620	9,746,946	32,093,099
FUND BALANCES - ENDING	\$ 21,848,506	\$ 11,742,912	\$ 36,435,608

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, 2025
(IN THOUSANDS)

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES		
Taxes:		
General and Selective Taxes	\$ 2,241,044	\$ 10,574,824
Income Taxes	-	2,925,559
Total Taxes	<u>2,241,044</u>	<u>13,500,383</u>
Other Revenues:		
Federal Revenue	110,546	11,967,152
Investment Income	202,660	6,539,600
Rentals and Royalties	22	5,362,116
Charges for Services	278	201,008
Licenses, Fees, and Permits	2,422	414,951
Assessments	11	304,547
Miscellaneous and Other	10,451	454,548
Total Revenues	<u>2,567,434</u>	<u>38,744,305</u>
EXPENDITURES		
Current:		
Culture, Recreation, and Natural Resources	98,014	552,464
Education	371,432	5,972,434
General Control	337,778	1,236,367
Health and Human Services	179,976	13,762,158
Highway and Transportation	376,423	1,531,727
Judicial	17,995	513,625
Legislative	-	55,760
Public Safety	7,144	1,177,652
Regulation and Licensing	24,002	287,051
Capital Outlay	387,425	1,016,156
Debt Service:		
Principal	271,900	424,814
Interest and Other Charges	75,590	118,326
Total Expenditures	<u>2,147,679</u>	<u>26,648,534</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	419,755	12,095,771
OTHER FINANCING SOURCES (USES)		
Bonds Issued	570,368	570,368
Bond Premium	30,814	30,814
Payment to Refunding Bond Escrow Agent	(123,455)	(123,455)
Proceeds from the Sale of Capital Assets	-	4,839
Transfers In	2,532,877	8,339,707
Transfers Out	(2,517,096)	(10,121,310)
Leases and SIBTAs	-	73,890
Total Other Financing Sources (Uses)	<u>493,508</u>	<u>(1,225,147)</u>
NET CHANGE IN FUND BALANCES	913,263	10,870,624
Fund Balance - Beginning	6,050,412	66,094,716
Restatement (See Note 9)	5,913	31,274
Fund Balance - Beginning, as Restated	<u>6,056,325</u>	<u>66,125,990</u>
FUND BALANCES - ENDING	<u>\$ 6,969,588</u>	<u>\$ 76,996,614</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, 2025
(IN THOUSANDS)

Net Change in Fund Balances - Total Governmental Funds \$ 10,870,624

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	\$ 1,016,156	
Depreciation/Amortization Expense (Less ISF \$28,496)	<u>(537,095)</u>	
Excess of Capital Outlay Over Depreciation Expense		479,061

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.) (66,020)

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 (14,534)

Net transfer of capital assets to other funds from governmental funds. (5,181)

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. (101)

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	358,820	
Principal Payment from Refunding	123,455	
Bond Proceeds, Net	<u>(601,182)</u>	(118,907)

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. 64,481

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, 2025
(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.	\$ (6,109)		
	-	\$	(6,109)
Pension expense and OPEB expense of governmental funds is recognized in the statement of activities but not in the fund statements.			(169,817)
Debt Service payments for lease and SBITA assets			65,994
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.			(73,890)
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	4,175		
Compensated Absences Expense (Less ISF \$90)	(13,593)		
Change in prepaid/inventory balances	-		
Pollution Remediation Obligation	(7,348)		
Change in Indian Water Rights Liability	5,500		
Change in other liabilities	(12,493)		
Other	24,408		649
Change in Net Position of Governmental Activities		\$	11,026,250

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, 2025
(IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 594,978	\$ 441,952	\$ 1,036,930	\$ -
Cash and Cash Equivalents - Restricted	49,881	-	49,881	-
Investment in the State General Fund Investment Pool	-	257,241	257,241	249,484
Investment in the Local Government Investment Pool	34,279	98,514	132,793	-
Due from Other Funds	75,230	-	75,230	-
Due from Component Unit	17,478	-	17,478	-
Receivables, Net	765,029	209,668	974,697	26,985
Investments	628,485	(1)	628,484	-
Inventories	39,262	1,204	40,466	-
Other Current Assets	33,303	310	33,613	-
Total Current Assets	<u>2,237,925</u>	<u>1,008,888</u>	<u>3,246,813</u>	<u>276,469</u>
Noncurrent Assets:				
Unrestricted Cash and Cash Equivalents	73,790	-	73,790	-
Restricted Cash and Cash Equivalents	156,608	-	156,608	-
Long Term Receivables	51,650	275,685	327,335	-
Investments	799,596	30,873	830,469	-
Restricted Investments	164,689	-	164,689	-
Due from Component Units	240,503	-	240,503	-
Other Noncurrent Assets	10,121	-	10,121	-
Nondepreciable Capital Assets	1,017,492	1,300	1,018,792	29,936
Capital Assets, Net	<u>2,572,568</u>	<u>59,468</u>	<u>2,632,036</u>	<u>79,543</u>
Total Noncurrent Assets	<u>5,087,017</u>	<u>367,326</u>	<u>5,454,343</u>	<u>109,479</u>
Total Assets	7,324,942	1,376,214	8,701,156	385,948
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	-	-	-	-
Interest Rate Swaps	592	-	592	-
Deferred Charge on Refunding	6,837	-	6,837	-
Deferred Outflows - OPEB	73,487	1,558	75,045	1,653
Deferred Outflows - Pension	420,204	8,961	429,165	9,307
Total Deferred Outflows of Resources	<u>501,120</u>	<u>10,519</u>	<u>511,639</u>	<u>10,960</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF NET POSITION
PROPRIETARY FUND (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 155,444	\$ 6,131	\$ 161,575	\$ 57,212
Accrued Liabilities	49,886	8,650	58,536	745
Unearned Revenue	66,089	37,960	104,049	1
Due to Other Funds	198,418	21	198,439	7,661
Due to Component Unit	-	-	-	-
Due to Higher Educational Institutions	-	-	-	-
Intergovernmental Payables	-	-	-	-
Other Obligations	-	-	-	-
Funds Held for Others	12,084	305	12,389	-
Other Liabilities	273,452	2,607	276,059	3
Bonds Payable, Current Portion	54,409	2	54,411	-
Other Long-Term Liabilities, Current Portion	167,732	52,297	220,029	262,256
Total Current Liabilities	<u>977,514</u>	<u>107,973</u>	<u>1,085,487</u>	<u>327,878</u>
Noncurrent Liabilities:				
Bonds Payable, Net of Current Portions	537,086	-	537,086	-
Net Pension Liability	2,300,500	52,728	2,353,228	54,767
Net OPEB Liability	330,931	5,065	335,996	5,370
Other Long-Term Liabilities, Net of Current Portion	530,366	115,577	645,943	269,012
Total Noncurrent Liabilities	<u>3,698,883</u>	<u>173,370</u>	<u>3,872,253</u>	<u>329,149</u>
Total Liabilities	4,676,397	281,343	4,957,740	657,027
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension	174,775	469	175,244	490
Deferred Inflows - OPEB	112,000	3,847	115,847	4,079
Deferred Inflows - Leases	46,951	59,931	106,882	-
Deferred Inflows - Other	6,839	-	6,839	-
Total Deferred Inflows of Resources	<u>340,565</u>	<u>64,247</u>	<u>404,812</u>	<u>4,569</u>
NET POSITION				
Net Investment in Capital Assets	2,589,172	59,393	2,648,565	97,648
Restricted:				
Nonexpendable:				
Scholarships and Student Loans	245,128	-	245,128	-
Endowment	223,119	-	223,119	-
Other Purposes	15,900	-	15,900	-
Expendable:				
Education	46,658	-	46,658	-
Debt Service	54,193	-	54,193	-
Capital Projects	191,779	-	191,779	-
Scholarships	84,170	-	84,170	-
Unemployment and Insurance	-	498,297	498,297	-
Loans	5,608	485,127	490,735	-
Other Purposes	23,809	46,411	70,220	68,298
Unrestricted (Deficit)	<u>(670,436)</u>	<u>(48,085)</u>	<u>(718,521)</u>	<u>(430,634)</u>
Total Net Position	<u>\$ 2,809,100</u>	<u>\$ 1,041,143</u>	<u>\$ 3,850,243</u>	<u>\$ (264,688)</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise		
		Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 183,923	\$ 607,804	\$ 791,727	\$ 641,592
Unemployment Insurance	-	198,376	198,376	-
Federal Revenue	476,240	-	476,240	-
State, Local, and Private Grants and Contracts	-	-	-	-
Loans and Other Income	-	739	739	-
Student Tuition and Fees, Net	215,619	-	215,619	-
Patient Services and Clinical Operations	1,844,550	-	1,844,550	-
Other Operating Revenues	237,479	2,893	240,372	52
Total Operating Revenues	<u>2,957,811</u>	<u>809,812</u>	<u>3,767,623</u>	<u>641,644</u>
OPERATING EXPENSES				
Benefits, Claims, and Premiums	(4,516)	348,615	344,099	-
Education and General Administration	1,634,145	659,033	2,293,178	796,034
Depreciation and Amortization	230,033	5,056	235,089	28,496
Other Operating Expenses	2,570,721	10,613	2,581,334	6,828
Total Operating Expenses	<u>4,430,383</u>	<u>1,023,317</u>	<u>5,453,700</u>	<u>831,358</u>
OPERATING LOSS	(1,472,572)	(213,505)	(1,686,077)	(189,714)
NONOPERATING REVENUES (EXPENSES)				
Clinical Operations	-	-	-	-
Private Grants and Gifts	5,728	-	5,728	-
State Permanent Fund Income	37,765	-	37,765	-
Government Grants and Contracts	164,848	45,601	210,449	-
Interest and Investment Income	124,328	31,061	155,389	7,714
Interest and Other Expenses on Capital				
Interest-Related Debt	(26,559)	(111)	(26,670)	(225)
Gain (Loss) on Sale of Capital Assets	(2,480)	4	(2,476)	450
Other Revenue (Expense)	345,879	480	346,359	3,113
Total Nonoperating Revenues (Expenses)	<u>649,509</u>	<u>77,035</u>	<u>726,544</u>	<u>11,052</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND ENDOWMENTS, AND TRANSFERS	(823,063)	(136,470)	(959,533)	(178,662)
CAPITAL CONTRIBUTIONS AND ENDOWMENTS				
Capital Grants and Gifts	143,222	-	143,222	-
Permanent Fund and Endowment Contributions	10,339	-	10,339	-
Total Capital Contributions and Endowments	<u>153,561</u>	<u>-</u>	<u>153,561</u>	<u>-</u>
TRANSFERS				
Transfers In	1,621,690	122,907	1,744,597	191,601
Transfers Out	(134,300)	(2,074)	(136,374)	(13,040)
Total Transfers	<u>1,487,390</u>	<u>120,833</u>	<u>1,608,223</u>	<u>178,561</u>
CHANGE IN NET POSITION	817,888	(15,637)	802,251	(101)
Net Position - Beginning, as Originally Reported	2,016,136	1,057,912	3,074,048	(263,389)
Restatement (See Note 9)	(24,924)	(1,132)	(26,056)	(1,198)
Net Position - Beginning, as Restated	<u>1,991,212</u>	<u>1,056,780</u>	<u>3,047,992</u>	<u>(264,587)</u>
NET POSITION - ENDING	<u>\$ 2,809,100</u>	<u>\$ 1,041,143</u>	<u>\$ 3,850,243</u>	<u>\$ (264,688)</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from:				
Fees for Service	\$ 249,035	\$ -	\$ 249,035	\$ 521,041
Sale of Products	2,075,147	568,010	2,643,157	-
Gifts, Grants, and Contracts	805,681	15,035	820,716	-
Loan and Note Repayments	4,993	15,383	20,376	-
Other Sources	118,047	298,452	416,499	56,148
Cash Payments to or for:				
Suppliers	(1,592,779)	(67,749)	(1,660,528)	(136,315)
Employees	(2,422,055)	(26,079)	(2,448,134)	(30,515)
Student Loans and Loan Losses	(159,112)	-	(159,112)	-
Claims	(345,411)	(329,407)	(674,818)	(539,709)
Other Payments	(400,864)	(635,579)	(1,036,443)	-
Net Cash Provided (Used) by Operating Activities	(1,667,318)	(161,934)	(1,829,252)	(129,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	1,621,690	122,907	1,744,597	187,604
Transfers Out	(134,300)	(2,074)	(136,374)	(13,041)
Gifts for Other Than Capital Purposes	-	-	-	-
Intergovernmental Receipts	-	(8,981)	(8,981)	-
Other	(1,500)	63,405	61,905	23,159
Net Cash Provided by Noncapital Financing Activities	1,485,890	175,257	1,661,147	197,722
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(460,492)	(2,630)	(463,122)	(13,818)
Capital Debt Service Payments - Principal	(71,879)	(1)	(71,880)	(3,708)
Capital Debt Service Payments - Interest	(30,555)	-	(30,555)	(30)
Capital Contributions and Debt Proceeds	134,223	-	134,223	-
Proceeds from Sale of Capital Assets	186	-	186	31
Other	472,393	790	473,183	3,793
Net Cash Used by Capital and Related Financing Activities	43,876	(1,841)	42,035	(13,732)

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest and Dividends of Investments	\$ 150,286	\$ 23,985	\$ 174,271	\$ 7,725
Purchase of Investments	(784,214)	-	(784,214)	-
Receipts of Rent	12	-	12	-
Proceeds from Sale and Maturity of Investments	619,960	-	619,960	-
Net Cash Provided by Investing Activities	<u>(13,956)</u>	<u>23,985</u>	<u>10,029</u>	<u>7,725</u>
NET INCREASE IN CASH	(151,508)	35,467	(116,041)	62,365
Cash and Cash Equivalents - Beginning of Year	<u>1,026,765</u>	<u>663,726</u>	<u>1,690,491</u>	<u>187,119</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 875,257</u>	<u>\$ 699,193</u>	<u>\$ 1,574,450</u>	<u>\$ 249,484</u>
CASH AND CASH EQUIVALENTS				
Unrestricted	\$ 668,768	\$ 441,952	\$ 1,110,720	\$ -
Restricted	206,489	-	206,489	-
Investment in the State General Fund Investment Pool	-	257,241	257,241	249,484
Total Cash and Cash Equivalents	<u>\$ 875,257</u>	<u>\$ 699,193</u>	<u>\$ 1,574,450</u>	<u>\$ 249,484</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (1,472,572)	\$ (213,505)	\$ (1,686,077)	\$ (189,714)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	229,925	4,725	234,650	28,511
Bad Debt Expense	113,973	921	114,894	-
Realized (Gain) Loss on Disposal of Assets	1,343	-	1,343	-
Unrealized (Gain) Loss on Investments	(2,080)	-	(2,080)	-
Change in Net Pension Liability	7,662	(3,993)	3,669	(4,339)
Change in Net OPEB Liability	(65,608)	(10,711)	(76,319)	(11,282)
Change in Deferred Outflows of Resources	(86,968)	563	(86,405)	617
Change in Deferred Inflows of Resources	(234,389)	(13,424)	(247,813)	(11,720)
Net Changes in Assets and Liabilities Related to Operating Activities:				
Short-Term Investments	-	-	-	-
Receivables and Due From Other Funds	(225,686)	50,208	(175,478)	18,004
Notes and Loans	2,028	-	2,028	-
Inventories	(1,944)	(348)	(2,292)	-
Prepaid Items and Other Assets	(24,963)	14,926	(10,037)	-
Insurance Claims Payable	46,779	-	46,779	38,513
Accounts Payable, Accrued Liabilities, and Due to Other Funds	17,929	8,305	26,234	2,060
Loss Adjustments	(48)	-	(48)	-
Unearned Revenue	27,301	399	27,700	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,667,318)</u>	<u>\$ (161,934)</u>	<u>\$ (1,829,252)</u>	<u>\$ (129,350)</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, 2025
(IN THOUSANDS)

	Pension and Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private- Purpose Trust Funds	Custodial Funds
ASSETS				
Cash and Cash Equivalents	\$ 791,671	\$ 6,026	\$ 28,368	\$ 34,911
Investment in State General Fund Investment Pool	114,380	-	325,247	32,784
Investment in Local Government Investment Pool	-	-	-	15,659
Investments:				
Investment Pools at SIC	1,820,872	-	-	-
International Securities	2,108,336	-	-	-
Corporate Equity Securities	3,866,307	-	-	-
Corporate and Municipal Bonds	1,023,049	-	-	-
Partnerships and Other Investments	29,905,587	-	-	-
Securities Lending Collateral Investments	731,434	-	-	-
Deferred Compensation Plan Investment	917,466	-	-	-
Long-Term Investments	-	2,159,221	3,096,843	-
Receivables:				
Brokers	109,797	-	-	-
Accrued Interest and Other	12,716	-	3,074	66
Other Receivables	211,503	13,434	-	653,949
Other Assets	-	-	-	105
Long-Term Receivables	439	-	-	-
Capital and RUA Assets, Net	37,892	-	-	-
Total Assets	<u>41,651,449</u>	<u>2,178,681</u>	<u>3,453,532</u>	<u>737,474</u>
LIABILITIES				
Accounts Payable	19,164	-	2,345	1,171
Accrued Liabilities	548	-	1,427	3
Due to Brokers	141,750	-	-	-
Intergovernmental Payables	-	-	-	548,884
Unearned Revenue	337	-	60,493	54
Deposits Held in Trust	4,490	-	-	2,996
Other Liabilities	734,132	43,905	336,438	2,315
Long-Term Liabilities	29,286	-	-	-
Total Liabilities	<u>929,707</u>	<u>43,905</u>	<u>400,703</u>	<u>555,423</u>
NET POSITION				
Restricted for:				
Pension Benefits	37,927,865	-	-	-
Other Postemployment Benefits	1,865,731	-	-	-
Defined Contribution	928,146	-	-	-
External Investment Pool Participants	-	2,134,776	-	-
Other Purposes	-	-	3,052,829	182,051
Total Net Position	<u>\$ 40,721,742</u>	<u>\$ 2,134,776</u>	<u>\$ 3,052,829</u>	<u>\$ 182,051</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Pension and Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Employee Contributions	\$ 1,166,600	\$ -	\$ -	\$ -
Employer Contributions	1,597,133	-	-	-
Member Contributions	-	-	309,278	207,344
Other	1,407	-	-	-
Total Contributions	<u>2,765,140</u>	<u>-</u>	<u>309,278</u>	<u>207,344</u>
Pool Participant Deposits	-	950,192	-	-
Investment Income (Loss):				
Net Increase (Decrease) in Fair Value of				
Investments	10,930	61,937	271,518	-
Interest and Dividends	4,091,767	-	-	946
Subtotal	<u>4,102,697</u>	<u>61,937</u>	<u>271,518</u>	<u>946</u>
Less: Investment Expense	303,633	-	2,020	-
Net Investment Income	<u>3,799,064</u>	<u>61,937</u>	<u>269,498</u>	<u>946</u>
Other Additions:				
Taxes from Other Governments	-	-	-	2,930,661
Other Operating Revenues	109,134	-	130,993	12,392
Total Other Additions	<u>109,134</u>	<u>-</u>	<u>130,993</u>	<u>2,943,053</u>
Total Additions	6,673,338	1,012,129	709,769	3,151,343
DEDUCTIONS				
Benefits and Claims	3,025,900	-	-	228,503
Distributions	-	737,478	468,678	107
Refunds	139,524	-	-	-
Debt Service for Other Governments	-	-	-	-
General and Administrative Expenses	393,787	-	131,458	2,929,879
Other Operating Expenses	2,400	-	-	1,069
Total Deductions	<u>3,561,611</u>	<u>737,478</u>	<u>600,136</u>	<u>3,159,558</u>
CHANGE IN NET POSITION	3,111,727	274,651	109,633	(8,215)
Net Position - Beginning	37,611,112	1,860,125	2,943,196	189,846
Restatement (Note 9)	(1,097)	-	-	420
Net Position - Beginning, as Restated	<u>37,610,015</u>	<u>1,860,125</u>	<u>2,943,196</u>	<u>190,266</u>
NET POSITION - ENDING	<u>\$ 40,721,742</u>	<u>\$ 2,134,776</u>	<u>\$ 3,052,829</u>	<u>\$ 182,051</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, 2025. 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, 2025
(IN THOUSANDS)**

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 5,469	\$ 88,488	\$ 8,380	\$ 16,956	\$ 8,542	\$ 159,918	\$ 287,753
Investment in Local Government Investment Pool	-	-	-	-	-	54,397	54,397
Restricted Cash and Cash Equivalents	362,255	58,661	-	-	133	15,311	436,360
Investments	-	-	-	-	25,360	69,410	94,770
Due from Primary Government	33,196	3,486	-	-	-	11,074	47,756
Due From Other Components	-	-	-	-	-	2	2
Receivables, Net	14,919	6,455	1,403	4,028	8,889	8,645	44,339
Loans Receivable, Current	217,390	-	-	-	-	-	217,390
Prepaid Expenses	-	-	300	-	575	1,230	2,105
Other Assets	-	9,759	3,753	2,034	5,550	43	21,139
Inventory	-	-	16	-	-	148	164
Total Current Assets	633,229	166,849	13,852	23,018	49,049	320,178	1,206,175
Noncurrent Assets:							
Restricted Cash and Cash Equivalents	-	145,731	-	-	-	1,128	146,859
Restricted Investments	1,017,579	33,109	-	-	-	11,261	1,061,949
Loans Receivable, Net	1,785,087	2,295,576	-	-	-	118,053	4,198,716
Investments	13,778	31,259	-	519,601	417,666	239,651	1,221,955
Other Noncurrent Assets	-	4,597	-	25,516	1,599	1,664	33,376
Nondepreciable Capital Assets	428	25,015	744	-	-	63,106	89,293
Other Capital Assets, Net	15,638	14,231	2,407	654	189	280,989	314,108
Total Noncurrent Assets	2,832,510	2,549,518	3,151	545,771	419,454	715,852	7,066,256
Total Assets	3,465,739	2,716,367	17,003	568,789	468,503	1,036,030	8,272,431
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Charge on Refunding	444	233	-	-	-	286	963
Deferred Outflows - OPEB	-	-	-	-	-	38,017	38,017
Deferred Outflows - Pension	-	-	-	-	-	104,569	104,569
Total Deferred Outflows of Resources	444	233	-	-	-	142,872	143,549

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ -	\$ 17,060	\$ 1,461	\$ 78	\$ 295	\$ 9,082	\$ 27,976
Accrued Liabilities	235	11,155	-	2,005	514	18,908	32,817
Unearned Revenue	-	-	-	-	34	2,357	2,391
Due to Primary Government	2,082	-	3,141	10,130	1,989	8,896	26,238
Due to Other Component Unit	-	-	-	-	-	-	-
Funds Held for Others	-	9,931	-	-	133	598	10,662
Other Liabilities	570,255	287	6,008	2,608	1,827	7,018	588,003
Bonds Payable	142,685	48,604	-	-	-	28,244	219,533
Current Portion of Other Long-Term Liabilities	1,769	51,614	158	-	-	5,473	59,014
Total Current Liabilities	717,026	138,651	10,768	14,821	4,792	80,576	966,634
Noncurrent Liabilities:							
Bonds Payable	1,442,409	2,245,866	-	-	-	219,653	3,907,928
Due to Primary Government	-	-	-	125,969	101,754	12,780	240,503
Net Pension Liability	-	-	-	-	-	342,346	342,346
Net OPEB Liability	-	-	-	-	-	46,350	46,350
Other Long-Term Liabilities	95,402	8,614	78	-	-	3,564	107,658
Total Noncurrent Liabilities	1,537,811	2,254,480	78	125,969	101,754	624,693	4,644,785
Total Liabilities	2,254,837	2,393,131	10,846	140,790	106,546	705,269	5,611,419
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows - Pension	-	-	-	-	-	38,701	38,701
Deferred Inflows - OPEB	-	-	-	-	-	41,223	41,223
Deferred Inflows - Other	828	184	-	21,652	-	3,040	25,704
Total Deferred Inflows of Resources	828	184	-	21,652	-	82,964	105,628
NET POSITION							
Net Investment in Capital Assets	15,909	14,157	3,136	654	189	101,835	135,880
Restricted:							
Nonexpendable	1,174,463	-	-	361,576	241,855	346,783	2,124,677
Expendable:							
Debt Service	-	320,852	-	35,758	-	-	356,610
Other Purposes	-	-	-	-	-	107,047	107,047
Unrestricted (Deficit)	20,146	(11,724)	3,021	8,359	119,913	(164,996)	(25,281)
Total Net Position	\$ 1,210,518	\$ 323,285	\$ 6,157	\$ 406,347	\$ 361,957	\$ 390,669	\$ 2,698,933

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
REVENUES							
Program Revenues:							
Charges for Services	\$ 63,007	\$ 127,659	\$ 148,896	\$ 6,300	\$ -	\$ 9,207	\$ 355,069
Operating Grants and Contributions	34,281	(5,978)	-	34,283	17,743	84,377	164,706
Capital Grants and Contributions	-	-	-	-	-	29,488	29,488
Total Revenues	<u>97,288</u>	<u>121,681</u>	<u>148,896</u>	<u>40,583</u>	<u>17,743</u>	<u>123,072</u>	<u>549,263</u>
EXPENSES	<u>78,170</u>	<u>120,542</u>	<u>105,188</u>	<u>66,337</u>	<u>25,303</u>	<u>403,754</u>	<u>799,294</u>
INCOME (LOSS) BEFORE OTHER REVENUE AND EXPENSES	19,118	1,139	43,708	(25,754)	(7,560)	(280,682)	(250,031)
OTHER REVENUES AND EXPENSES							
Payment from State of New Mexico	233,513	28,979	-	-	-	325,664	588,156
Payment to State of New Mexico	-	-	(44,688)	-	-	(3,480)	(48,168)
Other	(120,204)	-	-	4,491	14,279	36,591	(64,843)
Investment Income	42,149	3,072	66	59,133	27,262	30,270	161,952
Total Other Revenues and Expenses	<u>155,458</u>	<u>32,051</u>	<u>(44,622)</u>	<u>63,624</u>	<u>41,541</u>	<u>389,045</u>	<u>637,097</u>
CHANGE IN NET POSITION	174,576	33,190	(914)	37,870	33,981	108,363	387,066
Net Position - Beginning	1,035,942	290,095	7,071	368,477	327,976	290,211	2,319,772
Restatement (Note 9)	-	-	-	-	-	(7,905)	(7,905)
Net Position - Beginning, as Restated	<u>1,035,942</u>	<u>290,095</u>	<u>7,071</u>	<u>368,477</u>	<u>327,976</u>	<u>282,306</u>	<u>2,311,867</u>
NET POSITION - ENDING	<u>\$ 1,210,518</u>	<u>\$ 323,285</u>	<u>\$ 6,157</u>	<u>\$ 406,347</u>	<u>\$ 361,957</u>	<u>\$ 390,669</u>	<u>\$ 2,698,933</u>

See accompanying Notes to Financial Statements.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025

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, 2025

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, 800 Bradbury Drive SE, Suite 116, 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, 2025

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, 7425 Jefferson Street NE, Albuquerque, NM 87109.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025**

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, 2025**

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, 2025

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, 2025**

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, 2025**

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, 2025**

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, 2025, 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, 2025

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, 2025

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, 2025, 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, 2025**

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, 2025

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, 2025**

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, 2025

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 liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes salary-related payments for these amounts.

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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Bonds Payable

Bond premiums and discounts and deferred amounts on refunding are deferred and amortized over the life of the bonds using the bonds outstanding method or straight-line method, which approximates the effective interest method. Bonds payable are reported at face amount, with the applicable bond premium or discount and deferred amount on refunding reported separately. In accordance with GASB Statement 65, bond issuance costs are expensed. In the governmental fund financial statements, total bond premium or discount is recognized when the bonds are first issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Insurance Losses and Loss Adjustment Expense

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

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Government-Wide Financial Statements

Interfund Activity

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

Interfund Balances

Interfund receivables and payables have been eliminated from the government-wide statement of net position, except for the residual amounts due between governmental and business-type activities.

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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)

- **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.

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.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Net Position and Fund Balance (Continued)

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

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

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

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

Grants

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

Investment Income

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

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

Endowments

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

Retirement and Employee Benefit Costs

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

I. Use of Estimates

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

J. New Accounting Standards

For the fiscal year ended June 30, 2025, the State implemented the following new accounting standards issued by the GASB:

GASB Statement No. 101, *Compensated Absences*

The statement provides updates for accounting and reporting for compensated absences. The adoption of this standard resulted in a prior period adjustment due to the recognition of the estimated liability for accumulated sick leave. Schedule of changes can be found in Note 9.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. New Accounting Standards (Continued)

GASB Statement No. 102, *Certain Risk Disclosure*

The statement serves to provide users of government financial statements with essential information about risks related to an entity's vulnerabilities due to the variety of risks they face. The State has determined concentrations do not arise to the level of disclosure.

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. 103 (Financial Reporting Model Improvements) 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 an entity's accountability. The State is in the process of evaluating the impact of the standards for the adoption into the financial statements for the year ending June 30, 2026.

GASB Statement No. 104 (Disclosure of Certain Capital Assets) The objective of this Statement is to provide users of an entity's financial statements with essential information about certain types of capital assets. The State is in the process of evaluating the impact of the standards for the adoption into the financial statements for the year ending June 30, 2026.

GASB Statement No. 105 (Subsequent Events) The objective of this statement is to improve financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of users. The State is in the process of evaluating the impact of this statement for implementation into the fiscal year beginning after June 15, 2026.

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, 2025**

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, 2025**

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, 2025, collateral pledged to public money deposits was as follows:

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

	Balance at June 30, 2025
Cash in Bank *	\$ 1,785,004
Less: FDIC Insurance Coverage	<u>5,724</u>
Total Uninsured Public Funds	<u><u>1,779,280</u></u>
Collateral Requirement (50% - 102% of Uninsured Public Funds	\$ 908,679
Collateral Pledged:	
U.S. Government Securities	578,209
Surety Bond	<u>1,449,627</u>
Collateral Pledged	<u><u>2,027,836</u></u>
Over (Under) Collateralized	<u><u>\$ 1,119,157</u></u>

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, 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 Custodial Credit Risk <i>(Expressed in Thousands)</i>
	Fiscal Agent Account
Cash in Banks	\$ 93,092
Less: Deposit of Institutions Which are Fully Insured and Collateralized	-
Deposits of Institutions Not Fully Collateralized	93,092
Less: FDIC Insurance Coverage Uninsured Deposits	- <hr style="width: 100%; border: 0.5px solid black;"/> 93,092
Collateral Pledged:	
Surety Bond	121,746
Securities	80,000
Total Collateral Pledged	<hr style="width: 100%; border: 0.5px solid black;"/> 201,746
Subject to Custodial Credit Risk	<hr style="width: 100%; border: 0.5px solid black;"/> <u>\$ (108,655)</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, 2025**

NOTE 3 INVESTMENTS

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

	Balance at June 30, 2025
Primary Government:	
Current:	
Investment in State General Fund Investment Pool	\$ 15,693,355
Investment in Local Government Investment Pool	132,793
Investments	57,256,172
Noncurrent:	
Investments	995,158
Fiduciary Funds:	
Investment in State General Fund Investment Pool	472,411
Investment in Local Government Investment Pool	15,659
Investments	45,629,115
Component Units:	
Investments	2,378,674
Securitized Loans included in Loans Receivable	2,069,967
Investment in Local Government Investment Pool	54,397
Total Investments	\$ 124,697,701
Reconciliation to Investments Presented	
Total Presented Above	\$ 124,697,701
Less: Cash and Cash Equivalents Held in Brokerage	
Accounts Included in Investment Pools	(305,488)
Total Separately Held Investments	\$ 124,392,213

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, 2025

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, 2025, LGIP amortized cost approximated fair value, with the difference deemed immaterial.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, 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, 2025.

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, 2025

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, 2025

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, 2025

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

1. Fair Value Measurement (Continued)

State of New Mexico Fair Value of Investments (Expressed in Thousands)				
Investment	Fair Value June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity Securities:				
Equities	\$ 24,766,904	\$ 24,765,150	\$ 663	\$ 1,091
Domestic Equity	3,866,307	3,865,691	616	-
U.S. Common and Preferred Stock	3,237,153	3,237,151	-	2
Pooled Funds - Mutual Funds	2,465,616	-	2,465,616	-
Mutual Funds	2,411,196	2,390,007	21,189	-
Repurchase Agreements	2,198,393	-	2,198,393	-
International Equity	1,694,694	1,694,694	-	-
Liquid Capital	1,383,692	-	1,173,749	209,943
Securities Lending Collateral Investments	731,434	-	731,434	-
Supranationals	303,168	-	303,168	-
SIC - Investment Pools	145,469	145,469	-	-
Foreign Stocks	79,100	79,100	-	-
Equities	43,353	9,533	-	33,820
Foreign Issues	34,735	5,527	29,208	-
New Mexico Private Equity	16,344	15,148	-	1,196
Self-directed brokerage accounts	15,616	15,616	-	-
Real Estate Holdings	11,775	10,739	-	1,036
Other Investments	10,902	10,825	77	-
Corporate Stocks	4,558	4,558	-	-
Exchange-Traded Funds	3,922	3,922	-	-
Common Stocks	3,897	3,897	-	-
Total Equity Securities	43,428,228	36,257,027	6,924,113	247,088
Debt Securities:				
U.S. Government Bonds	9,986,738	-	9,986,738	-
Corporate Bonds	7,729,533	23,776	7,705,757	-
U.S. Treasury Securities	5,658,954	195,470	5,463,484	-
Asset Backed Securities	2,153,633	5,417	2,083,879	64,337
Core Fixed Income	2,126,214	988,604	1,137,610	-
Fixed Income	844,136	844,136	-	-
Demand Notes	720,660	-	720,660	-
Commercial Paper	593,194	-	593,194	-
Collateralized Debt Obligation	588,152	-	588,152	-
U.S. Government Obligations	582,656	582,656	-	-
Bank Loans	504,950	-	504,950	-
Agency Securities (GSEs)	386,750	5,997	105,414	275,339
U.S. Corporate Obligations	277,842	-	277,841	1
Discounted Notes and Treasury Bills - Zero Cc	257,926	-	257,926	-
Government Bonds	235,916	-	235,916	-
U.S. Agency Obligations	220,306	-	220,306	-
Foreign Obligations	93,367	-	53,597	39,770
Municipal Bonds	43,373	-	43,373	-
Global Fixed Income	33,809	-	33,809	-
Public REIT	31,954	4,357	27,597	-
Certificate of Deposit	16,252	16,252	-	-
Sovereign Debt	7,202	-	7,202	-
Corporate Stocks and bonds	4,727	4,727	-	-
Domestic Corporate Bonds	2,016	-	2,016	-
Corporate Debt Securities	673	673	-	-
Total Debt Securities	33,100,933	2,672,065	30,049,421	379,447

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

1. Fair Value Measurement (Continued)

Investment	Fair Value June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Alternative Investments:				
Master Limited Partnerships	\$ 530,916	\$ 530,916	\$ -	\$ -
Total Alternative Investments	530,916	530,916	-	-
Investments in Derivative Instruments:				
Credit Derivatives	7,735	-	7,735	-
Equity Derivatives	2,165	2,165	-	-
Interest Rate Derivatives	20,910	19,160	1,750	-
Other Derivatives	125	-	125	-
Total Derivative Instruments	30,935	21,325	9,610	-
 Total Investments Measured at Fair Value	 77,091,012	 \$ 39,481,333	 \$ 36,983,144	 \$ 626,535
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at Net Asset Value (NAV):				
Private Equity Partnerships	7,635,997	\$ 5,312,605	Not Redeemable	Not Redeemable
Private Equity Funds	5,532,380	2,237,362	N/A	N/A
Private Debt Partnerships	5,176,369	4,092,921	Quarterly	90 to 180 Days
Private Real Assets	3,774,520	1,516,326	Not Redeemable	Not Redeemable
Opportunistic Credit Funds	3,008,617	942,367	Daily, Monthly,	30 to 180 Days
Real Asset Funds	2,952,318	869,642	Not Redeemable	Not Redeemable
Real Return Funds	2,580,917	2,439,208	Not Redeemable	Not Redeemable
Open-Ended Real Estate Partnerships	2,171,572	-	Quarterly	45 to 90 Days
Real Estate Partnerships	2,125,397	3,210,504	Not Redeemable	Not Redeemable
Comingled International Equity Funds	1,718,604	-	Daily, Monthly	5 to 15 Days
Liquid Capital	1,031,256	-	Not Redeemable	Not Redeemable
Absolute Return Pool	1,028,982	-	Monthly, Annually	30 - 90 Days
Open-Ended Real Asset Partnership	969,945	-	Quarterly-Biannual	90 to 180 Days
Illiquid Capital	961,872	752,594	Not Redeemable	Not Redeemable
Regional Private Equity Partnerships	605,091	459,177	Not Redeemable	Not Redeemable
Domestic Equity	413,642	-	Monthly	30 Days
LifeCycle Funds	278,684	-	(Blank)	(Blank)
Guaranteed Investment Contracts	253,077	-	Daily	Daily
Comingled Global Asset Allocation	142,353	-	Monthly, Quarterly,	30 to 120 Days
Private Investment Funds	67,545	33,246	Not Redeemable	Not Redeemable
Limited Partnerships - Global Equity	45,176	-	Monthly	16 Days
Alternative Investments	19,997	-	Monthly/Quarterly/ Annually/Rolling	3 to 90 Days
Limited Partnerships - Opportunistic Credit	16,969	-	2 Years Monthly	15 Days
Absolute Return (Hedge) Funds	15,364	-	Quarterly	30 to 65 Days
Limited Partnerships - Private Markets	10,691	10,719	None	None

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

1. Fair Value Measurement (Continued)

Investment	Fair Value June 30, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at Net Asset Value (NAV) (Continued):				
Limited Partnerships - Private Credit	\$ 5,759	\$ 7,125	None	None
Real Estate Funds	5,149	1,942	Not redeemable	Not Redeemable
Hedge Fund Investments - Equity				
Long/Short	4,875	621	Monthly	30 Days
Hedge Fund Investments - Multi-Strategy	2,798	215	Monthly	30 Days
Limited Partnerships	1,045	3	Not redeemable	Not Redeemable
Investments Measured at NAV	<u>42,556,961</u>	<u>\$ 14,336,610</u>		
Investments Measured at Amortized Cost:				
Flexible Repurchase Agreements	46,812			
Money Market Mutual Funds	51,085			
Commercial Paper	1,811			
STO - LGIP	13			
Investments at Amortized Cost	<u>99,721</u>			
Investments Measured at Contract Value:				
Stable Value Options (Def. Comp.)	121,128			
Guaranteed Investment Account	127,503			
Investments at Contract Value	<u>248,631</u>			
Other Investments:				
Lovelace Hospital	20,067			
Escrow Accounts	1,008			
Total Other Investments	<u>21,075</u>			
Total Separately-Held Investments	<u>\$ 120,017,400</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, 2025**

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 \$9.1 billion as held in the name of the investment fund by the fund's custodian bank, and \$9.2 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.

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, 2025**

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-IA of the Investment Company Act of 1940. Form N-IA discloses information and policies about the Underlying Fund and its investment objectives, as well as information on the company structure and operations. In addition, the Program Disclosure Statement and the Participation Agreement provide greater detail about the credit risk, if any, by certain nonregistered underlying Investments.

The quality ratings of investments in fixed income securities at June 30, 2025, 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	AAA	\$ 68,135
	AA+	1,449,552
	AA	138
	A+	359
	A	9,431
	BBB+	5,110
	BBB	39,281
	BBB-	18,144
	BB+	8,796
	BB	58,888
	BB-	10,120
	B+	508
	B	1,082
	B-	6,083
	CCC+	-
	CCC	6,878
	CC	-
	Not Rated	5,372,272

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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	\$ 39,441
	AA+	573,462
	Aa1	25,250
	AA	132,257
	Aa2	96,332
	AA-	333,902
	Aa3	7,817
	A+	803,150
	A1	36,272
	A	843,464
	A2	18,249
	A-	472,559
	A3	19,929
	Baa1	26,657
	BBB+	568,482
	Baa2	20,249
	BBB	834,007
	Baa3	15,494
	BBB-	588,983
	BB+	488,199
	Ba1	169
	BB	488,003
	BB-	515,671
	B+	320,906
	B	373,600
	B-	255,110
	CCC+	92,738
	CCC	28,331
	CCC-	5,810
	D	9,160
	Not Rated	999,706
Agency Securities (GSEs)	AA+	7,499,438
	Not Rated	275,339

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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):		
Asset-Backed Securities	AAA	\$ 191,127
	AA+	747,280
	Aa1	1,021
	AA	61,423
	Aa2	2,020
	AA-	10,768
	Aa3	1,010
	A+	51,457
	A	33,075
	A-	3,816
	BBB+	6,012
	BBB	15,580
	BBB-	8,236
	BB+	433
	BB	321
	B+	688
	B	2,316
	CCC	1,448
	CC	465
	D	1,517
	Not Rated	1,353,500
Commercial Paper	AA-	49,988
	A-1	241,228
	A-1+	301,978
	Not Rated	1,811
Discounted Notes	AA+	136,316
	A-1	40,500
	A-1+	81,110
	Not Rated	21,761
U.S. Government Bonds	AA+	1,003,355
Collateralized Debt Obligation	AAA	\$ 146,001
	AA	20,597
	A	7,445
	BBB	12,311
	BBB-	50,433
	Not Rated	351,366

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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):		
U.S. Government Obligations	AAA	37,293
	AA+	541,497
	AA	3,857
	Not Rated	9
Demand Notes	AAA	411,105
	AA+	168,070
	Aa1	72,050
	Aa3	1,975
	A-1+	67,460
CMO/REMIC	AAA	15,943
	AA+	79,072
	AA	596
	A+	2,647
	A	1,827
	A-	3,885
	BBB+	1,629
	BBB	757
	BBB-	734
	BB	1,006
	B	227
	CCC	178
	D	32
	Not Rated	312,835
U.S. Treasury Securities	AA+	275,730
Treasury Bills	AA+	795,520
U.S. Agency Obligations	AA+	105,414
	AA-	18,966
Public REIT	A	2578
	A-	3386
	BBB+	4473
	BBB	5628
	BBB-	2410
	BB-	8949
	Not Rated	174

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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):		
Municipal Bonds	AAA	\$ 3,929
	AA+	1,501
	Aa1	25,991
	AA	6,874
	Aa2	2,680
	AA-	6,389
	Aa3	803
	A+	76
	A1	966
	A	424
	A2	301
	A-	411
	Not Rated	1,877
Non-US Government Bonds	AAA	33,345
	AA+	1,533
	AA	4,138
	AA-	1,671
	A+	5,021
	A	3,582
	A-	2,151
	BBB+	3,870
	BBB	8,203
	BBB-	3,391
	Not Rated	1,060
Certificate of Deposit	Not Rated	16,252
Corporate Debt Securities	BBB-	673
Total Subject to Risk - S & P Ratings		<u>31,907,650</u>
Total Investments Subject to Credit Risk		31,907,650
Investments Not Subject to Credit Risk		86,916,467
Add: Education Trust Board Investments (Presented in Separate Note)		639,686
Information Not Available		<u>553,597</u>
Total Separately-Held Investments		<u><u>\$ 120,017,400</u></u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025

Scholar's Edge Plan

Portfolio/Rating	AAA	AA	A	BBB	BB
iShares Core U.S. Aggregate Bond ETF	2.41 %	73.71 %	11.85 %	12.03 %	0.00 %
MainStay MacKay High Yield Corp. Class R-6	0.00	0.10	0.20	5.00	53.30
Principal Core Fixed Income Fund Class R-6	42.63	2.24	26.01	28.00	0.98
Principal Short-Term Income Fund Inst. Class	40.54	2.72	19.22	28.98	1.19
Vanguard Total Int'l. Bond Index Fund ETF	24.29	27.20	26.73	18.46	0.00

Portfolio/Rating	B	Below B	Not Rated	Total
iShares Core U.S. Aggregate Bond ETF	0.00 %	0.00 %	0.00 %	100.00 %
MainStay MacKay High Yield Corp. Class R-6	34.70	5.70	1.00	100.00
Principal Core Fixed Income Fund Class R-6	0.14	0.00	0.00	100.00
Principal Short-Term Income Fund Inst. Class	0.00	0.00	7.35	100.00
Vanguard Total Int'l. Bond Index Fund ETF	0.00	0.00	3.32	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	21.12	22.68	34.24	14.69	0.00
Nuveen Core Plus Bond R-6	3.86	42.38	12.10	20.79	11.06
Vanguard Short-Term Inflation-Prot. Sec. Index Inst.	99.99	0.00	0.00	0.00	0.00
Vanguard Short-Term Treasury Index Inst.	100.02	0.00	0.00	0.00	0.00
Vanguard Total Bond Market	72.39	3.08	11.82	12.68	0.00
Vanguard Total Bond Market II Institutional	72.83	2.96	11.75	12.41	0.00
Vanguard Ultra Short-Term Bond - Adm	28.25	7.12	36.36	26.80	0.89
Vanguard High Yield Corp. ADM	5.62	3.65	0.00	2.72	48.24
PGIM Global Total Return Class R-6	17.74	15.66	19.40	33.97	7.77

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	7.27	100.00
Nuveen Core Plus Bond R-6	5.29	0.80	3.72	100.00
Vanguard Short-Term Inflation-Prot. Sec. Index Inst.	0.00	0.00	0.01	100.00
Vanguard Short-Term Treasury Index Inst.	0.00	0.00	(0.02)	100.00
Vanguard Total Bond Market	0.00	0.00	0.03	100.00
Vanguard Total Bond Market II Institutional	0.00	0.00	0.05	100.00
Vanguard Ultra Short-Term Bond - Adm	0.00	0.00	0.58	100.00
Vanguard High Yield Corp. ADM	34.64	4.65	0.48	100.00
PGIM Global Total Return Class R-6	1.59	0.65	3.22	100.00

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, 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, 2025**

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 Maturities on Investments (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	\$ 9,002,692	\$ 1,283,086	\$ 5,598,018	\$ 1,560,105	\$ 561,483	\$ -
Agency Securities (GSEs)	7,559,463	2,142,247	5,416,219	997	-	-
Government Bonds	5,606,998	121,795	3,059,439	1,224,536	1,201,228	-
Asset Backed Securities	2,565,429	235,276	737,113	233,498	1,359,542	-
U.S. Government Bonds	2,470,102	673,521	774,260	1,022,321	-	-
Treasury Bills	934,431	934,431	-	-	-	-
Demand Notes	720,660	-	720,660	-	-	-
Commercial Paper	595,005	595,005	-	-	-	-
Collateralized Debt Obligation	588,152	585,037	-	-	3,115	-
U.S. Government Obligations	582,657	48,830	401,752	60,377	71,698	-
U.S. Treasury Securities	528,172	127,868	160,319	239,985	-	-
CMO/REMIC	342,452	179,180	12,550	25,802	124,920	-
Discounted Notes	279,687	143,371	136,316	-	-	-
U.S. Agency Obligations	105,414	17,909	87,505	-	-	-
Non-US Government Bonds	67,965	-	-	67,965	-	-
Municipal Bonds	52,223	31,615	4,538	-	16,070	-
International Government Obligations	41,623	-	-	41,623	-	-
Public REIT	27,597	-	-	27,597	-	-
Certificate of Deposit	8,105	3,711	4,394	-	-	-
Domestic corporate bonds	-	-	2,016	-	-	-
U.S. Government and Corporate Debt Securities	673	58	226	344	45	-
Total Investments Subject to Interest Rate Risk	32,079,500	\$ 7,122,940	\$ 17,115,325	\$ 4,505,150	\$ 3,338,101	\$ -
Investments Not Subject to Interest Rate Risk	86,916,467					
Information Not Available	381,747					
Add: Education Trust Board (Presented in Separate Note)	639,686					
Total Separately-Held Investments	\$ 120,017,400					

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Maturities on Investments				Fair Value (In Thousands)
Investment	< 1 Year	1-5 Years	6-10 Years	
The Scholar's Edge:				
Vanguard Total Int'l. Bond Index Fund ETF	-	-	7.24	\$ 1,113
iShares Core U.S. Aggregate Bond ETF	-	-	5.99	90,410
Principal Core Fixed Income Fund Class R-6	-	-	5.78	158,310
MainStay MacKay High Yield Corp. Class R-6	-	2.68	-	4,973
Principal Short-term Income Fund Inst. Class	-	2.04	-	165,889
The Education Plan:				
DFA Inflation-Protected Securities - Inst. Class	-	-	6.54	513
PGIM Global Total Return Fund Class R-6	-	-	5.90	1,551
Nuveen Core Plus Bond R-6	-	-	5.92	7,241
iShares Core International Aggregate Bond ETF	-	-	6.59	20,138
Vanguard Total Bond Market	-	-	5.79	12,161
Vanguard Total Bond Market II Institutional	-	-	5.79	83,629
Vanguard High-Yield Corporate Fund ADM	-	2.81	-	27,772
Vanguard Short-term Inflation-Prot. Sec. Index Inst.	-	2.45	-	6,873
Vanguard Short-term Treasury Index Inst. Class	-	2.45	-	59,210
Vanguard Ultra Short-term Bond Adm	0.92	-	-	1,016

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025 was as follows:

State of New Mexico Foreign Currency Risk International Investment Securities at Fair Value (Expressed in Thousands)						
Foreign Currency	Equity	Fixed Income	Vent. Cap., Pref. Stk., Rts., REITs, Ptshps., Wrnts.	Derivatives	Total Investments	Cash and Cash Equivalents
Australian Dollar	\$ 475,547	\$ 3,223	\$ -	\$ 641	\$ 479,411	\$ 948
Botswana Pula	40	-	-	-	40	-
Brazilian Real	113,383	-	-	(249)	113,134	1,688
British Pound Sterling	1,597,208	17,853	77,164	(359)	1,691,866	3,087
Canadian Dollar	872,096	7,907	-	(55)	879,948	1,794
Chilean Peso	6,166	-	-	-	6,166	21
Chinese Yuan Renminbi	114,381	-	-	(28)	114,353	280
Czech Koruna	108	-	-	-	108	1
Danish Krone	193,998	274	-	(8)	194,264	312
Euro	4,409,951	26,682	1,546,954	539	5,984,126	35,034
Ghanian Cedi	161	-	-	-	161	-
Hong Kong Dollar	909,167	-	-	-	909,167	1,745
Hungarian Forint	29,264	-	-	-	29,264	11
Indian Rupee	-	-	-	(23)	(23)	227
Indonesian Rupiah	49,717	-	-	-	49,717	(2)
Israeli Shekel	124,167	-	-	-	124,167	346
Japanese Yen	2,211,650	85	-	(15)	2,211,720	12,869
Kenyan Shilling	4	-	-	-	4	-
Malaysian Ringgit	33,612	-	-	-	33,612	147
Mexican Peso	81,535	5,846	-	(161)	87,220	619
New Taiwan Dollar	609,509	-	-	-	609,509	418
New Turkish Lira	14,286	-	-	2	14,288	68
New Zealand Dollar	24,619	-	-	-	24,619	93
Norwegian Krone	116,098	-	-	-	116,098	247
Peruvian Nuevo Sol	-	14,891	-	(466)	14,425	270
Philippine Peso	11,263	-	-	-	11,263	61
Polish Zloty	54,672	-	-	-	54,672	130
Qatari Riyal	10,099	-	-	-	10,099	-
Russian Ruble	-	-	-	-	-	110
Saudi Riyal	58,080	-	-	-	58,080	(1)
Singapore Dollar	174,633	-	-	-	174,633	426
South African Rand	113,523	13,523	-	(169)	126,877	101
South Korean Won	416,282	-	-	-	416,282	1,659
Swedish Krona	281,991	-	-	18	282,009	483
Swiss Franc	821,761	-	-	42	821,803	1,679
Thai Baht	50,514	-	-	-	50,514	-
Tunisian Dinar	4	-	-	-	4	-
UAE Dirham	36,366	-	-	-	36,366	-
Subtotal	<u>\$ 14,015,855</u>	<u>\$ 90,284</u>	<u>\$ 1,624,118</u>	<u>\$ (291)</u>	<u>15,729,966</u>	<u>64,871</u>
Total Investments and Cash and Cash Equivalents Subject to Foreign Currency Risk					15,729,966	<u>\$ 64,871</u>
Investments Not Subject to Foreign Currency Risk					<u>104,287,434</u>	
Total Separately-Held Investments					<u>\$ 120,017,400</u>	

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, had a carrying amount and fair value of \$949.4 million. Under the agreement, the lending agent is required to indemnify the entity if the borrower fails to return the securities, if collateral is inadequate to replace the securities lent, or if the counterparty fails to pay the entity for income distributions by the securities' issuers while the securities are on loan. There were no such losses during the year ended June 30, 2025, 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 \$731.3 million at June 30, 2025. Total cash and noncash collateral was \$731.4 million, 100% of the fair value of the securities on loan.

As of June 30, 2025, 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 \$3.0 million for the fiscal year.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the financial statements are as follows:

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

Derivative Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Futures Contracts:				
Currency Futures	\$ (1)	\$ -	\$ -	\$ -
Equity Index Futures	(624)	499	24,895	25,357
Bond Index Futures	(1,509)	-	-	-
Swap Contracts:				
Cleared Credit Default Swaps	\$ (1,688)	\$ 1,688	\$ -	\$ -

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

Derivative Type	Balance at June 30, 2025
Commodity Futures	\$ 2,915
Commodity Futures - Short	(1)
Futures Contracts	32,700
Index Futures	115

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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	\$ 526	Investment	\$ -
Commodity Futures - Short	Investment Income	(11)	Investment	-
Fixed Income Futures - Long	Investment Income	(85)	Investment	-
Fixed Income Futures - Short	Investment Income	5	Investment	-
Index Futures - Long	Investment Income	15,745	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, 2025**

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, 2025, 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, 2025**

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):

<u>Derivative Type</u>	<u>Balance at June 30, 2025</u>
Asset-Backed Securities	\$ 295,340
Nonagency Mortgage-Backed Securities	25,317
Foreign Asset-Backed Securities	41,691
Total	<u>\$ 362,348</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Discretely Presented Component Units Fair Value of Investments (Expressed in Thousands)				
Investment	Fair Value June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities:				
Mutual Funds	\$ 439,567	\$ 402,646	\$ 36,921	\$ -
Money Market Mutual Funds	194,334	194,334	-	-
Equities	27,998	27,998	-	-
Beneficial Interest in Trust	21,327	-	21,327	-
Equities	14,269	14,269	-	-
Limited Partnership	10,613	-	2,284	8,329
Real Estate Holdings	3,214	-	-	3,214
Private Debt Partnerships	2,061	-	-	2,061
Other Investments	987	-	987	-
Exchange-Traded Funds	880	880	-	-
Real Asset Funds	512	512	-	-
Life Insurance Contracts	485	-	485	-
Alternative Investments	414	414	-	-
Endowment investment - ACF	-	-	-	-
Endowment investment - CFSNM	-	-	-	-
Real Estate Funds	42	42	-	-
Total Equity Securities	<u>716,703</u>	<u>641,095</u>	<u>62,004</u>	<u>13,604</u>
Debt Securities:				
Securitized Mortgage Loans	2,069,967	2,069,967	-	-
U.S. Treasury Notes	1,012,925	1,012,925	-	-
U.S. Government Bonds	30,208	30,208	-	-
Government Bonds	19,571	19,571	-	-
U.S. Treasury Securities	13,677	13,677	-	-
U.S. Government Agencies	10,104	10,104	-	-
Corporate Bonds	5,440	5,260	180	-
Agency Securities (GSEs)	1,172	-	1,172	-
Fixed Income	1,094	1,094	-	-
U.S. Corporate Obligations	660	648	12	-
Asset Backed Securities	405	-	405	-
Certificate of Deposit	73	-	73	-
Total Debt Securities	<u>3,165,296</u>	<u>3,163,454</u>	<u>1,842</u>	<u>-</u>
 Total Investments Measured At Fair Value	 3,881,999	 <u>\$ 3,804,549</u>	 <u>\$ 63,846</u>	 <u>\$ 13,604</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

9. Discretely Presented Component Units (Continued)

Fair Value (Continued)

Investment	Fair Value June 30, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at Net Asset Value (NAV):				
Alternative Investments	\$ 29,562	\$ -	Monthly/Quarterly/ Annually/Rolling 2 Years	2 to 90 Days
Hedge Fund Investments - Equity Long/Short	15,128	1,924	Monthly	16 Days
Hedge Fund Investments - Multi-Strategy Limited Partnership	8,679	667	Monthly	30 Days
	2,203	-	6/30 and 12/31	65 days
	3,100	-	Daily	Daily
	8,226	-	Monthly	30 Days
	1,756	-		60 days
	2,055	-		90 days
	11,266	5,617	Not Redeemable	Not Redeemable
	3,036	-	Quarterly	45 days
	550	-	Rolling Annually on Anniversary	95 days
	2,250	-	Three Series of Shares	60 days
	4,978	-	Weekly	5 days
	485	9	None	None
	2,897	-	After Lockup, Quarterly Within 45 Days Notice	45 days
	1,990	-	After Lockup, Quarterly Within 75 Days Notice	75 days
Limited Partnerships - Global Equity	142,681	-	Monthly	16 Days
Limited Partnerships - Opportunistic Credit	63,997	-	Monthly	15 Days
Limited Partnerships - Private Credit	17,867	22,075	None	None
Limited Partnerships - Private Markets	33,166	33,211	None	None
Private Investment Funds	94,193	45,911	Not Redeemable	Not Redeemable
Real Asset Funds	17,719	3,964	Not Redeemable	Not Redeemable
Real Estate Funds	7,114	2,682	Not Redeemable	Not Redeemable
Wellington Research Equity	13,225	-	Monthly	10 Days
Total Investments Measured at NAV	<u>488,123</u>			
Investments Measured at Amortized Cost:				
Money Market Funds in Endowment Pools	<u>4,692</u>			
Total Investments, Discretely- Presented Components	<u>\$ 4,374,814</u>			

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Discretely Presented Component Units Quality Ratings <i>(Expressed in Thousands)</i>		
Investment Type	Rating	Value
Investments Subject to Credit Risk - S&P Ratings:		
Securitized Mortgage Loans	Gov't. Guar.	\$ 1,641,605
	AA	428,362
Agency Securities (GSEs)	AAA	19,571
	AA+	1,635
Certificates of Deposits	Not Rated	-
U.S. Treasury Securities	AA+	13,214
Fixed Income	AAA	74
	AA+	65
	Aa1	1,094
	AA	152
	AA-	14
	A+	532
	A	203
	A-	750
	BBB+	886
	BBB	349
Asset-Backed Securities	AAA	40
	Not Rated	405
Corporate Bonds	A+	14
	A-	33
	BBB+	22
	BBB	72
U.S. Corporate Obligations	AA+	12
	Not Rated	648
Total Subject to Risk - S & P Ratings		2,109,752
Total Subject to Credit Risk		2,109,752
Total Not Subject to Credit Risk		1,209,518
Information Not Available		1,055,544
Total Investments, Discretely Presented Components		\$ 4,374,814

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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
Discretely Presented Component Units
Maturities on Investments
(Expressed in Thousands)

Investment Type	Fair Value	Investment Maturities (in Years)				Life Not Available
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years	
Investments Subject to Interest Rate Risk:						
Securitized Mortgage Loans	\$ 2,069,967	\$ 457	\$ 1,451	\$ 10,731	\$ 2,057,328	\$ -
U.S. Treasury Notes	1,012,925	-	1,012,925	-	-	-
Agency Securities (GSEs)	30,208	20,295	448	-	-	9,465
U.S. Treasury Securities	19,571	3,476	10,201	-	-	5,894
U.S. Government Agencies	13,677	-	10,104	-	-	3,573
Fixed Income	5,440	-	660	420	14	4,346
U.S. Corporate Obligations	1,172	-	325	144	191	512
Asset Backed Securities	1,094	-	-	-	405	689
Corporate Bonds	660	-	63	87	31	479
Investments Subject to Interest Rate Risk	3,154,714	\$ 24,228	\$ 1,036,177	\$ 11,382	\$ 2,057,969	\$ 24,958
Investments Not Subject to Interest Rate Risk						
Rate Risk	1,209,518					
Information Not Available	10,582					
Total Investments, Discretely Presented Components	\$ 4,374,814					

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 RECEIVABLES

Receivables at June 30, 2025, including the applicable allowances for uncollectible accounts, are as follows (expressed in thousands):

	Federal	Local Governments	Accounts Receivable	Leases	Brokers	Interest	Taxes	Current Loans	Allowance	Current	Noncurrent Loans, Net	Noncurrent	Noncurrent	Receivables, Net Total
										Receivables, Net Total		Lease Receivable	Receivables, Net Total	
Governmental Activities	\$ 1,983,544	\$ 59,311	\$ 1,162,078	\$ 310,611	\$ 2,322,930	\$ 154,468	\$ 4,281,366	\$ 152,878	\$ (2,999,365)	\$ 7,427,821	\$ 50,701	\$ 16,432	\$ 67,133	\$ 7,494,954
Business-Type Activities	2,358	-	1,108,696	7,367	-	803	71,910	16,859	(233,296)	974,697	221,297	106,038	327,335	1,302,032
Fiduciary Funds	37	-	351,621	-	107,397	12,782	523,998	10,792	(2,088)	1,004,539	439	-	439	1,004,978
Component Units	-	1,368	22,790	-	-	20,181	-	217,390	-	261,729	4,198,019	697	4,198,716	4,460,445
Governmental Funds:														
General	1,983,268	30,772	1,016,000	310,568	593,594	120,769	4,281,366	150,593	(2,995,625)	5,491,305	21,426	16,432	37,858	5,529,163
Debt Service	-	26,544	-	-	-	122	-	-	-	26,666	-	-	-	26,666
Capital Projects	276	1,991	347	43	-	-	-	2,285	-	4,942	29,275	-	29,275	34,217
Severance Tax Permanent	-	-	-	-	493,203	33,577	-	-	-	526,780	-	-	-	526,780
Land Grant Permanent	-	-	115,006	-	1,236,133	-	-	-	-	1,351,139	-	-	-	1,351,139
Child's Trust	-	4	-	-	-	-	-	-	-	4	-	-	-	4
Internal Service	-	-	30,725	-	-	-	-	-	(3,740)	26,985	-	-	-	26,985
Business-Type Activities:														
Educational Institutions	-	-	760,940	4,089	-	-	-	-	-	765,029	2,277	49,373	51,650	816,679
Nonmajor Enterprise	2,358	-	347,756	3,278	-	803	71,910	16,859	(233,296)	209,668	219,020	56,665	275,685	485,353
Fiduciary Funds:														
Pension Trust	-	-	201,159	-	109,797	12,716	(1)	10,792	(447)	334,016	439	-	439	334,455
External Trust	-	-	15,834	-	(2,400)	-	-	-	-	13,434	-	-	-	13,434
Private-Purpose Trust	-	-	3,074	-	-	-	-	-	-	3,074	-	-	-	3,074
Custodial	37	-	131,554	-	-	66	523,999	-	(1,641)	654,015	-	-	-	654,015
Discrete Component Units:														
Finance Authority	-	-	1,491	-	-	13,428	-	217,390	-	232,309	1,785,087	-	1,785,087	2,017,396
Mortgage Finance Authority	-	-	82	-	-	6,373	-	-	-	6,455	2,295,576	-	2,295,576	2,302,031
Other Major Component Units	-	-	14,320	-	-	-	-	-	-	14,320	-	-	-	14,320
Nonmajor Component Units	-	1,368	6,897	-	-	380	-	-	-	8,645	117,356	697	118,053	126,698

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 (expressed in thousands):

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,373	\$ 5,855	\$ 11,228
2027	6,027	5,697	11,724
2028	10,114	5,456	15,570
2029	9,914	5,197	15,111
2030	7,528	4,959	12,487
2031 - 2035	31,389	22,609	53,998
2036 - 2040	31,667	23,562	55,229
2041 - 2045	29,308	17,821	47,129
2046 - 2050	33,197	15,204	48,401
2051 - 2055	36,857	12,103	48,960
2056 - 2060	38,807	8,420	47,227
2061 - 2065	24,530	5,560	30,090
2066 - 2070	23,576	3,701	27,277
2071 - 2075	26,167	1,921	28,088
2076 - 2080	8,268	850	9,118
2081 - 2085	821	735	1,556
2086 - 2090	881	129	1,010
2091 - 2095	1,050	87	1,137
2096 - 2100	1,081	37	1,118
2101 - 2105	188	4	192
Total	<u>\$ 326,743</u>	<u>\$ 139,907</u>	<u>\$ 466,650</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 RECEIVABLES (CONTINUED)

Leases Receivable (Continued)

<u>Year Ending June 30,</u>	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 5,745	\$ 2,216	\$ 7,961
2027	6,532	1,277	7,809
2028	5,205	1,153	6,358
2029	4,921	1,034	5,955
2030	4,357	919	5,276
2031 - 2035	17,281	3,461	20,742
2036 - 2040	16,783	3,437	20,220
2041 - 2045	17,573	2,560	20,133
2046 - 2050	8,114	887	9,001
Total	\$ 86,511	\$ 16,944	\$ 103,455

<u>Year Ending June 30,</u>	Discretely Presented Component Units		
	Principal	Interest	Total
2026	\$ 894	\$ 2	\$ 896
2027	808	-	808
2028	801	-	801
2029	209	-	209
2030	34	-	34
Total	\$ 2,746	\$ 2	\$ 2,748

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 RECEIVABLES (CONTINUED)

Discrete Component Units

The following is an analysis of the allowance for loan losses as of June 30, 2025, for the two largest discretely presented component units (expressed in thousands):

NMFA & NMMFA - Loan Loss Allowance

	NM Finance Authority	NM Mortgage Fin. Auth
Beginning Balance	\$ 46,372	\$ 16,054
Provision for Loan Losses	27,506	2,682
Loans Written Off, Net of Recoveries	(2,093)	(1,327)
Ending Balance	\$ 71,785	\$ 17,409

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, 2025**

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, 2025, is as follows (expressed in thousands):

	Due From	Due To	Transfers In	Transfers Out
Governmental Activities:				
General	\$ 339,443	\$ 1,468,613	\$ 2,029,721	\$ 5,713,187
Debt Service	336,386	229	226,546	2,254,105
Capital Projects	8,903	65,008	2,306,331	262,991
Severance Tax Permanent	586,623	-	1,348,513	347,975
Land Grant Permanent	393,365	-	2,428,596	1,543,052
Internal Service	-	7,661	191,601	13,040
Subtotal	<u>1,664,720</u>	<u>1,541,511</u>	<u>8,531,308</u>	<u>10,134,350</u>
Asset Transfers (Government-Wide Level):				
General	-	-	145,342	19,291
Capital Projects	-	-	-	131,232
Subtotal	<u>-</u>	<u>-</u>	<u>145,342</u>	<u>150,523</u>
Total Governmental Activities	1,664,720	1,541,511	8,676,650	10,284,873
Business-Type Activities:				
Educational Institutions	75,230	198,418	1,621,690	134,300
Nonmajor Enterprise	-	21	122,907	2,074
Total Business-Type Activities	<u>75,230</u>	<u>198,439</u>	<u>1,744,597</u>	<u>136,374</u>
Total	<u>\$ 1,739,950</u>	<u>\$ 1,739,950</u>	<u>\$ 10,421,247</u>	<u>\$ 10,421,247</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 CAPITAL ASSETS

Capital and right-to-use asset activity for Governmental Activities for the year ended June 30, 2025, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Governmental Activities:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 772,133	\$ 3,768	\$ (23)	\$ 3,903	\$ 105	\$ 779,886
Construction in Progress	1,286,954	795,575	(804)	(538,306)	(49,363)	1,494,056
Mineral Rights	92,257	2,908	-	-	-	95,165
Art and Other	928	249	-	-	-	1,177
Total Capital Assets Not Being Depreciated	2,152,272	802,500	(827)	(534,403)	(49,258)	2,370,284
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Land Improvements	81,049	2,631	(213)	2,742	2,553	88,762
Equipment and Machinery	341,453	43,422	(5,036)	396	8,196	388,431
Buildings and Improvements	2,158,041	41,656	(2,311)	35,484	31,969	2,264,839
Furniture and Fixtures	29,653	2,570	(904)	-	103	31,422
Data Processing Equipment and Software	555,085	36,181	(3,620)	3,912	-	591,558
Library Books and Other	13,551	174	(146)	-	-	13,579
Vehicles	411,542	30,860	(18,284)	61	771	424,950
Infrastructure	10,415,581	8,647	(1,344,770)	491,869	(51)	9,571,276
Right-to-Use Assets Being Amortized:						
Buildings and Improvements	658,379	54,038	(35,397)	-	-	677,020
Aircraft, Autos, and Trucks	14,206	548	(1,249)	(61)	-	13,444
Equipment and Machinery	12,942	5,262	(2,453)	-	(16)	15,735
Information Technology	389	-	(169)	-	-	220
Lease Asset - Right-to-Use - Depreciable	7,293	463	(202)	-	-	7,554
Subscriptions	45,518	20,066	(14,074)	-	-	51,510
Subtotal	14,744,680	246,518	(1,428,828)	534,403	43,525	14,140,300
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Land Improvements	(37,334)	(2,635)	36	-	-	(39,933)
Equipment and Machinery	(181,220)	(33,727)	4,468	-	137	(210,342)
Buildings and Improvements	(1,279,470)	(59,861)	974	-	-	(1,338,357)
Furniture and Fixtures	(19,324)	(1,963)	1,028	-	-	(20,259)
Data Processing Equipment and Software	(379,643)	(38,749)	3,340	-	267	(414,785)
Library Books and Other	(7,603)	(1,224)	327	-	-	(8,500)
Vehicles	(310,460)	(31,346)	18,342	-	132	(323,332)
Infrastructure	(5,684,538)	(317,100)	1,344,769	-	-	(4,656,869)
Accumulated Amortization for Right-to-Use Assets:						
Buildings and Improvements	(159,533)	(55,066)	24,862	-	-	(189,737)
Aircraft, Autos, and Trucks	(8,159)	(3,595)	1,236	-	-	(10,518)
Equipment and Machinery	(6,540)	(3,648)	2,657	-	16	(7,515)
Information Technology	(263)	(67)	168	-	-	(162)
Subscriptions	(18,572)	(16,610)	12,914	-	-	(22,268)
Subtotal	(8,092,659)	(565,591)	1,415,121	-	552	(7,242,577)
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	6,652,021	(319,073)	(13,707)	534,403	44,077	6,897,723
Total Governmental Activities Capital Assets, Net	<u>\$ 8,804,293</u>	<u>\$ 483,427</u>	<u>\$ (14,534)</u>	<u>\$ -</u>	<u>\$ (5,181)</u>	<u>\$ 9,268,007</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

General Control	\$ 85,923
Education	3,958
Health and Human Services	38,644
Highways and Transportation	337,441
Culture, Recreation, and Nat. Resources	25,363
Judicial	22,032
Legislative	2,667
Public Safety	41,063
Regulation and Licensing	8,500
Total	<u>\$ 565,591</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and right-to-use asset activity for Business-Type Activities for the year ended June 30, 2025, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Business-Type Activities:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 120,721	\$ 9,117	\$ (64)	\$ 10,916	\$ -	\$ 140,690
Construction in Progress	729,097	349,500	(10,742)	(191,135)	(1,671)	875,049
Art and Other	3,080	-	(27)	-	-	3,053
Total Capital Assets Not Being Depreciated	<u>852,898</u>	<u>358,617</u>	<u>(10,833)</u>	<u>(180,219)</u>	<u>(1,671)</u>	<u>1,018,792</u>
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Land Improvements	194,658	130	-	11,658	-	206,446
Equipment and Machinery	1,160,047	72,979	(23,687)	24,837	-	1,234,176
Buildings and Improvements	3,998,520	31,977	(13,944)	131,480	5,370	4,153,403
Furniture and Fixtures	380	81	-	-	-	461
Data Processing Equipment and Software	22,734	452	(101)	-	1,482	24,567
Library Books and Other	373,654	9,168	(987)	-	-	381,835
Vehicles	9,468	1,457	(24)	-	-	10,901
Infrastructure	394,508	145	-	12,244	-	406,897
Right-to-Use Assets Being Amortized:						
Land Improvements	106	-	-	(106)	-	-
Buildings and Improvements	69,615	737	(12,280)	1,000	-	59,072
Lease Depr Infrastructure	-	-	-	-	-	-
Equipment and Machinery	9,402	568	(1,808)	(894)	-	7,268
Lease Depr Info Tech	-	-	-	-	-	-
Lease Depr Furn & Fixtures	-	-	-	-	-	-
Lease Asset/Right-to-Use/Depreciable	4,847	80	(381)	-	-	4,546
Subscriptions	122,280	28,618	(21,878)	126	-	129,146
Subtotal	<u>6,360,219</u>	<u>146,392</u>	<u>(75,090)</u>	<u>180,345</u>	<u>6,852</u>	<u>6,618,718</u>
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Land Improvements	(162,064)	(9,944)	-	(1,182)	-	(173,190)
Equipment and Machinery	(858,287)	(64,301)	22,613	-	-	(899,975)
Buildings and Improvements	(2,037,853)	(100,599)	9,163	1,182	-	(2,128,107)
Furniture and Fixtures	(350)	(7)	-	-	-	(357)
Data Processing Equipment and Software	(17,308)	(339)	101	-	-	(17,546)
Library Books and Other	(335,296)	(10,015)	987	-	-	(344,324)
Vehicles	(6,319)	(671)	23	-	-	(6,967)
Infrastructure	(284,067)	(11,810)	-	-	-	(295,877)
Accumulated Amortization for Right-to-Use Assets:						
Lease Asset/Right-to-Use/Depreciable	(2,890)	(509)	381	-	-	(3,018)
Land Improvements	(79)	-	-	-	-	(79)
Buildings and Improvements	(32,004)	(9,698)	5,855	-	-	(35,847)
Amort Lease Infrastructure	-	-	-	-	-	-
Amort Lease Airc, Auto & Truck	-	-	-	-	-	-
Equipment and Machinery	(5,617)	(466)	1,562	-	-	(4,521)
Amort Lease Info Tech	-	-	-	-	-	-
Amort Lease Furn & Fix	-	-	-	-	-	-
Lease Asset/Right-to-Use	-	-	-	-	-	-
Subscriptions	(69,880)	(27,846)	20,980	(126)	-	(76,872)
Subtotal	<u>(3,812,016)</u>	<u>(236,205)</u>	<u>61,665</u>	<u>(126)</u>	<u>-</u>	<u>(3,986,682)</u>
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	<u>2,548,203</u>	<u>(89,813)</u>	<u>(13,425)</u>	<u>180,219</u>	<u>6,852</u>	<u>2,632,036</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 3,401,101</u>	<u>\$ 268,804</u>	<u>\$ (24,258)</u>	<u>\$ -</u>	<u>\$ 5,181</u>	<u>\$ 3,650,828</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and right-to-use asset activity for Fiduciary Funds for the year ended June 30, 2025, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Fiduciary Funds:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 2,793	\$ -	\$ (248)	\$ -	\$ -	\$ 2,545
Construction in Progress	8,953	14,171	-	-	-	23,124
Art and Other	31	-	-	-	-	31
Total Capital Assets Not Being Depreciated	<u>11,777</u>	<u>14,171</u>	<u>(248)</u>	<u>-</u>	<u>-</u>	<u>25,700</u>
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Land Improvements	19	-	(19)	-	-	-
Equipment and Machinery	545	-	(181)	-	-	364
Buildings and Improvements	16,082	-	(3,436)	-	-	12,646
Furniture and Fixtures	831	412	(474)	-	-	769
Data Processing Equipment and Software	25,103	177	-	-	-	25,280
Vehicles	46	-	-	-	-	46
Right-to-Use Assets Being Amortized:						
Buildings and Improvements	5,013	-	-	-	-	5,013
Equipment and Machinery	298	126	(80)	-	-	344
Subscriptions	1,889	376	(113)	-	-	2,152
Subtotal	<u>49,826</u>	<u>1,091</u>	<u>(4,303)</u>	<u>-</u>	<u>-</u>	<u>46,614</u>
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Land Improvements	(1,843)	(265)	195	-	-	(1,913)
Equipment and Machinery	(31)	(68)	-	-	-	(99)
Buildings and Improvements	(8,653)	(477)	2,772	-	-	(6,358)
Furniture and Fixtures	(788)	(1)	474	-	-	(315)
Data Processing Equipment and Software	(22,665)	(94)	-	-	-	(22,759)
Vehicles	(46)	-	-	-	-	(46)
Accumulated Amortization for Right-to-Use Assets:						
Buildings and Improvements	(612)	(270)	-	-	-	(882)
Equipment and Machinery	(646)	(169)	80	-	-	(735)
Subscriptions	(433)	(993)	113	-	-	(1,313)
Subtotal	<u>(35,717)</u>	<u>(2,337)</u>	<u>3,634</u>	<u>-</u>	<u>-</u>	<u>(34,420)</u>
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	<u>14,109</u>	<u>(1,246)</u>	<u>(669)</u>	<u>-</u>	<u>-</u>	<u>12,194</u>
Total Fiduciary Funds Capital Assets, Net	<u>\$ 25,886</u>	<u>\$ 12,925</u>	<u>\$ (917)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,894</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and right-to-use asset activity for Component Units for the year ended June 30, 2025, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Component Units*:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 41,662	\$ 2,140	\$ (512)	\$ -	\$ -	\$ 43,290
Construction Work in Progress	18,236	226	(220)	(2,625)	-	15,617
Mineral Rights	30	-	-	-	-	30
Art and Other	28,298	2,058	-	-	-	30,356
Total Capital Assets Not Being Depreciated	88,226	4,424	(732)	(2,625)	-	89,293
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Buildings and Improvements	283,709	25,284	(4,982)	2,625	-	306,636
Leasehold Improvements	4,380	1,304	(168)	-	-	5,516
Infrastructure	20,081	1,521	-	-	-	21,602
Vehicles	5,697	1,872	(40)	-	-	7,529
Machinery and Equipment	19,365	1,348	-	-	-	20,713
Data Processing Equipment and Software	4,479	184	(183)	-	-	4,480
Furniture and Fixtures	24,952	7,149	(487)	-	-	31,614
Library Books and Other	206	20	-	-	-	226
Right-to-Use Assets Being Amortized:						
Buildings and Improvements	47,605	4,077	(27,022)	-	-	24,660
Aircraft, Autos, and Trucks	647	-	(647)	-	-	-
Equipment and Machinery	2,277	875	(379)	-	-	2,773
Subscriptions	1,363	572	(787)	-	-	1,148
Subtotal	414,761	44,206	(34,695)	2,625	-	426,897
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Buildings and Improvements	(42,822)	(9,773)	3,450	-	-	(49,145)
Infrastructure	(12,661)	(667)	-	-	-	(13,328)
Vehicles	(3,377)	(534)	40	-	-	(3,871)
Equipment and Machinery	(11,588)	(1,029)	-	9	-	(12,608)
Leasehold Improvements	(1,329)	(313)	75	-	-	(1,567)
Data Processing Equipment and Software	(3,457)	(652)	183	-	-	(3,926)
Furniture and Fixtures	(12,428)	(3,288)	432	-	-	(15,284)
Library Books and Other	(128)	-	-	(9)	-	(137)
Accumulated Amortization for Right-to-Use Assets:						
Buildings and Improvements	(16,356)	(7,707)	12,689	-	-	(11,374)
Aircraft, Autos, and Trucks	(144)	(76)	220	-	-	-
Equipment and Machinery	(943)	(559)	342	-	-	(1,160)
Subscriptions	(317)	(277)	205	-	-	(389)
Subtotal	(105,550)	(24,875)	17,636	-	-	(112,789)
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	309,211	19,331	(17,059)	2,625	-	314,108
Total Component Units Capital Assets, Net	<u>\$ 397,437</u>	<u>\$ 23,755</u>	<u>\$ (17,791)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,401</u>

*Beginning balances for component units were restated due to changes in the charter school reporting entity for changes in where certain schools are included as a state charter school.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, 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	\$ 15,903	\$ 7,591
Additions	140	-
Deletions	(6,249)	(754)
Ending Balance	\$ 9,794	\$ 6,837

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, 2025, 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 Balance*	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-Term Debt
Governmental Activities:						
General Obligation Bonds	\$ 447,170	\$ 210,960	\$ (99,355)	\$ 558,775	\$ 100,830	\$ 457,945
Severance Tax Bonds	1,091,095	235,100	(166,340)	1,159,855	155,820	1,004,035
Revenue Bonds and Loans Payable	737,705	117,485	(220,231)	634,959	97,311	537,648
Net Unamortized Premiums, Discounts	243,886	37,632	(64,481)	217,037	51,520	165,517
Subtotal	2,519,856	601,177	(550,407)	2,570,626	405,481	2,165,145
Insurance Claims Payable	478,005	131,236	(92,722)	516,519	256,329	260,190
Arbitrage and other Contingent Liabilities	29,792	12,493	-	42,285	-	42,285
Compensated Absences *	194,686	13,116	-	207,802	146,128	61,674
Native American Water Settlement Liability	23,753	-	(5,500)	18,253	-	18,253
Pollution Remediation Obligation	58,336	10,565	(3,217)	65,684	1,960	63,724
Lease Liabilities	536,710	59,263	(66,176)	529,797	52,054	477,743
Subscription	17,090	25,135	(16,786)	25,439	13,297	12,142
Subtotal	1,338,372	251,808	(184,401)	1,405,779	469,768	936,011
Total Governmental Long-Term Liabilities	\$ 3,858,228	\$ 852,985	\$ (734,808)	\$ 3,976,405	\$ 875,249	\$ 3,101,156

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-Term Debt
Business-Type Activities:						
General Obligation Bonds	\$ 18,275	\$ -	\$ (1,505)	\$ 16,770	\$ 1,455	\$ 15,315
Revenue Bonds	605,283	-	(51,150)	554,133	46,872	507,261
Bond Premium, Discount, Net	23,944	-	(3,350)	20,594	6,084	14,510
Subtotal	647,502	-	(56,005)	591,497	54,411	537,086
Compensated Absences *	142,172	39,034	-	181,206	174,983	6,223
Reserve for Losses	131,615	14,965	-	146,580	-	146,580
Notes Payable	9,550	-	(2,585)	6,965	2,279	4,686
Insurance Claims Payable	12,193	4,493	-	16,686	-	16,686
Mortgages Payable	366,047	63,068	(12,592)	416,523	14,797	401,726
Lease Liabilities	55,587	11,620	(29,828)	37,379	10,431	26,948
Subscription	43,259	22,184	(19,707)	45,736	17,539	28,197
Derivative Instruments - Interest Rate Swaps	563	-	(88)	475	-	475
Student Loans	7,691	1,890	(593)	8,988	-	8,988
Environmental Cleanup	5,434	-	-	5,434	-	5,434
Subtotal	774,111	157,254	(65,393)	865,972	220,029	645,943
Total Business-Type Long-Term Liabilities	\$ 1,421,613	\$ 157,254	\$ (121,398)	\$ 1,457,469	\$ 274,440	\$ 1,183,029
Fiduciary:						
Pension Trust Funds:						
Reserve for Losses	\$ 19,260	\$ 2,357	\$ -	\$ 21,617	\$ -	\$ 21,617
Lease Liabilities	4,286	204	(359)	4,131	235	3,896
Subscriptions	1,420	376	(765)	1,031	579	452
Compensated Absences *	2,436	71	-	2,507	1,347	1,160
Total Fiduciary Long-Term Liabilities	\$ 27,402	\$ 3,008	\$ (1,124)	\$ 29,286	\$ 2,161	\$ 27,125
Component Units**:						
Revenue Bonds	\$ 3,709,722	\$ 457,365	\$ (307,804)	\$ 3,859,283	\$ 164,582	\$ 3,694,701
Bond Premium, Discount, Net	251,579	21,138	(4,539)	268,178	54,951	213,227
Subtotal	3,961,301	478,503	(312,343)	4,127,461	219,533	3,907,928
Compensated Absences*	9,508	1,776	-	11,284	7,508	3,776
Notes Payable	192,259	1,701,986	(1,754,605)	139,640	44,765	94,875
Loans Payable	-	-	-	-	-	-
Lease Liabilities	35,392	4,527	(24,702)	15,217	6,496	8,721
Subscription Liabilities	561	426	(456)	531	245	286
Subtotal	237,720	1,708,715	(1,779,763)	166,672	59,014	107,658
Total Component Unit Long-Term Liabilities	\$ 4,199,021	\$ 2,187,218	\$ (2,092,106)	\$ 4,294,133	\$ 278,547	\$ 4,015,586

*Compensated absences were restated due to GASB 101 Implementation. The change in the compensated absence liability is presented as a net change in accordance with GASB 101.

**Beginning balances for component units were restated due to changes in the charter school reporting entity for changes in where certain schools are included as a state charter school.

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, 2025**

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 <i>(Expressed in Thousands)</i>						
Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2025	Due in One Year
Series 2015	3/25/15	2025	5.00 %	\$ 141,635	\$ -	\$ -
Series 2017A	8/1/17	2027	5.00	148,520	40,875	19,625
Series 2017B	8/1/17	2025	5.00	151,790	-	-
Series 2019	7/30/19	2029	5.00	139,985	33,510	6,145
Series 2021	5/27/21	2031	5.00	166,675	87,485	16,995
Series 2023	4/27/23	2033	5.00	223,710	185,945	19,410
Series 2025	7/20/25	2033	5.00	210,960	210,960	38,655
Total General Obligation Bonds Payable					<u>\$ 558,775</u>	<u>\$ 100,830</u>

General Obligation Bond Premium Outstanding <i>(Expressed in Thousands)</i>						
Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2025	Due in One Year
Series 2015	3/25/15	2025	5.00 %	\$26,120	\$ -	\$ -
Series 2017A	8/1/17	2027	5.00	26,897	965	759
Series 2017B	8/1/17	2025	5.00	23,160	-	-
Series 2019	7/30/19	2029	5.00	17,947	2,761	1,242
Series 2021	5/27/21	2031	5.00	32,869	11,630	3,624
Series 2023	4/27/23	2033	5.00	35,178	21,278	5,062
Series 2025	7/20/25	2033	5.00	13,393	13,393	2,576
Total General Obligation Bond Premium Outstanding					<u>\$ 50,027</u>	<u>\$ 13,263</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 100,830	\$ 24,756	\$ 125,586
2027	110,770	23,299	134,069
2028	60,495	17,760	78,255
2029	65,885	14,628	80,513
2030	45,470	11,334	56,804
2031 - 2035	175,325	21,942	197,267
Total	<u>\$ 558,775</u>	<u>\$ 113,719</u>	<u>\$ 672,494</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, total severance tax revenues transferred to the Severance Tax Bonding Fund were \$216.6 million. The total principal and interest payments were \$166.3 million and \$50.3 million, respectively.

On June 26, 2025, the State issued Severance Tax Bonds Series 2025A in the amount of \$235.1 million, with a premium of \$17.4 million, and carrying an interest rate of 5.00 percent. The proceeds will be used to finance capital improvements approved by the State Legislature.

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

Severance Tax Bonds Payable <i>(Expressed in Thousands)</i>						
Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2025	Due in One Year
Series 2015A	8/12/2015	2026	0.05 %	\$129,195	\$18,210	\$18,210
Series 2015B Supplemental	8/12/2015	2026	5.00	69,745	8,900	8,900
Series 2016A	6/23/2016	2027	3.00 - 5.00	78,750	29,530	14,395
Series 2016B	6/23/2016	2025	4.00	181,395	-	-
Series 2016D	12/6/2016	2028	5.00	26,725	17,200	5,480
Series 2017A	8/8/2017	2028	5.00	69,470	25,695	8,390
Series 2018A	6/28/2018	2029	5.00	122,560	57,320	13,275
Series 2020A	11/3/2020	2031	5.00	94,735	65,485	9,635
Series 2021A	6/29/2022	2032	5.00	317,170	238,050	29,125
Series 2022A	6/29/2022	2033	5.00	260,900	218,605	22,790
Series 2022B	10/11/2022	2033	5.00	293,310	245,760	25,620
Series 2025A	6/26/2025	2035	5.00	235,100	235,100	-
Total Severance Tax Bonds Payable					<u>\$ 1,159,855</u>	<u>\$ 155,820</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

B. Severance Tax Bonds (Continued)

Severance Tax Bond Premium Outstanding
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2025	Due in One Year
Series 2015A	8/12/2015	2026	0.05 %	\$23,121	\$ -	\$ -
Series 2015 B Supplemental	8/12/2015	2026	5.00	11,428	-	-
Series 2016 A	6/23/2016	2027	3.00 - 5.00	19,770	241	241
Series 2016 D	12/6/2016	2028	5.00	5,379	216	155
Series 2017A	8/8/2017	2028	5.00	13,280	583	421
Series 2018A	6/28/2018	2029	5.00	17,619	1,676	902
Series 2020A	11/3/2020	2031	5.00	22,589	6,082	2,143
Series 2021A	6/29/2021	2032	5.00	74,551	27,275	8,182
Series 2022A	6/29/2022	2033	5.00	31,097	15,398	4,019
Series 2022B	10/11/2022	2033	5.00	35,178	12,432	3,245
Series 2025A	6/26/2025	2035	5.00	17,421	17,421	3,271
Total Severance Tax Bond Premium Payable					<u>\$ 81,324</u>	<u>\$ 22,579</u>

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

Severance Tax Bonds
Debt Service Requirements to Maturity
(Expressed in Thousands)

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$155,820	\$48,383	\$204,203
2027	153,545	46,363	199,908
2028	145,225	38,894	184,119
2029	137,175	31,834	169,009
2030	128,000	25,205	153,205
2031 - 2035	410,950	42,862	453,812
Total	<u>\$ 1,159,855</u>	<u>\$ 234,270</u>	<u>\$ 1,394,125</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 2025, short-term notes were sold and redeemed as follows (expressed in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Sponge Bonds	<u>\$ -</u>	<u>\$ 1,315,065</u>	<u>\$ (1,315,065)</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds

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

Revenue bonds payable are as follows:

Governmental Activities

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

Bond Issue	Original Issue	Maturity Date	Interest Rate	Balance June 30, 2025	Due in One Year
The following are direct borrowings, loans issued by NM Finance Authority to various departments of the State based on the bonds issued:					
Series 2021 Spaceport Public Project	\$ 35,439	2030	0.77	\$ 18,084	\$ 4,472
2016C PPRF 3445 - General Services Dept. 8	37,320	2036	1.90 - 4.90	25,425	1,870
2018C1 PPRF - General Services Dept. - 4717A	11,510	2039	4.00 - 5.00	11,510	85
2018C2 PPRF - General Services Dept. - 4717B	7,040	2038	2.77 - 4.09	6,750	-
2018A PPRF - General Services Dept. - 4431	28,480	2036	4.00 - 5.00	20,060	1,450
PPRF - 4955 - GSD Energy Efficiency	11,500	2033	2.90 - 3.90	8,630	850
PPRF - 2668 -DOH 9 - Las Vegas Med. Ctr.	8,975	2037	3.80	7,440	49
PPRF - 4432 - Cig. Tax Ref. Bonds	5,120	2028	5.00	1,570	515
PPRF - 4769 - Ft. Bayard Med. Ctr.	48,635	2039	5.00	37,515	2,120
Total Direct Borrowings				<u>136,984</u>	<u>11,411</u>
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	-	-
Series 2014 B Revenue	79,405	2027	5.00	-	-
Series 2018 A Refunding	420,090	2030	5.00	157,290	29,795
Series 2020 A Refunding	63,180	2025	5.00	-	-
Series 2021 A Refunding	234,600	2030	5.00	209,805	26,345
Series 2022 A Refunding	47,240	2026	5.00	21,470	21,470
Series 2024 A Refunding	117,485	2031	5.00	109,410	8,290
Total Direct Placements				<u>497,975</u>	<u>85,900</u>
Total Revenue Bonds and Loans, Governmental Activities				<u>\$ 634,959</u>	<u>\$ 97,311</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

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

Revenue Bonds and Loans - Primary Government
Debt Service Requirements to Maturity
(Expressed in Thousands)

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$97,311	\$30,241	\$ 127,552
2027	113,270	25,586	138,856
2028	107,964	20,150	128,114
2029	113,525	14,976	128,501
2030	114,289	9,578	123,867
2031 - 2035	54,261	13,693	67,954
2036 - 2040	34,339	3,761	38,100
Total	<u>\$ 634,959</u>	<u>\$ 117,985</u>	<u>\$ 752,944</u>

Governmental Activities (Continued)

Of the total of bonds and loans payable for governmental activities, \$137 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 Ext. Entities	Due to NMFA	Total
Current:			
Due to NMFA	\$ -	\$ 11,411	\$ 11,411
Payable to External Entities	85,900	-	85,900
Total Current	<u>85,900</u>	<u>11,411</u>	<u>97,311</u>
Long-Term:			
Due to NMFA	-	125,573	125,573
Payable to External Entities	412,075	-	412,075
Total Long-Term	<u>412,075</u>	<u>125,573</u>	<u>537,648</u>
Total	<u>\$ 497,975</u>	<u>\$ 136,984</u>	<u>\$ 634,959</u>

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 \$129.6 million.

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025	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	\$9,420	\$2,395
System Revenue Refunding Series 2015 B	2026	0.34 - 2.44	6,175	615	-
System Imp. Revenue Bonds Series 2017	2038	0.09 - 3.48	5,645	3,983	-
System Imp. Revenue Bonds Series 2020	2036	1.12 - 2.75	22,445	17,130	-
General Obligation Bonds Series 2020	2030	0.47 - 1.25	3,000	520	-
System Refunding Revenue Series 2009 B	2035	5.32 - 6.07	14,000	7,065	590
System Refunding Revenue Series 2012	2034	0.93 - 4.26	19,741	9,185	865
System Refunding Revenue Series 2021	2031	1.01	8,470	14,015	1,136
Series 2019A Improvement	2039	1.30 - 2.89	5,181	3,978	1,233
Series 2019B Improvement	2044	1.30 - 3.15	6,689	6,173	-
System Refunding & Imp. Revenue Series 2013	2038	2.10 - 5.10	6,755	3,065	1,068
System Revenue Refunding Series 2020 A	2038	2.25	9,000	6,888	-
System Improvement Series 2020 B	2045	2.25	7,631	6,653	-
Series 2022 Subordinate Lien System Improvement Bonds	2042	2.61	5,080	4,440	-
Loan Payable	2036	1.50 - 2.50	7,000	4,605	340
Bond Series 2022	2042	3.60 - 5.00	28,065	28,055	-
UNM Health Sciences PPRF 5586	2036	1.90-4.90	26,200	22,000	1,550
UNM Los Alamos PPRF 6747	2033		1,500	1,500	-
UNM Medical Group PPRF 6538	2047		18,000	18,000	-
Subtotal				<u>167,290</u>	<u>9,177</u>
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	82,858	6,179
Mortgage Loan - UNM Hospital	2049	3.28	276,877	313,719	8,618
Total Direct Borrowings				<u>396,577</u>	<u>14,797</u>
The following Revenue Bonds are direct placements:					
Refunding and Imp. Revenue Series 2013 A-C	2030	1.89 - 5.27	56,200	7,745	-
System Imp. Revenue Series 2017 A-C	2042	1.75 - 5.00	73,240	53,335	6,860
Refunding and Imp. Revenue Series 2019 A & B	2040	2.00 - 5.00	24,985	15,915	-
Series 2013A Improvement	2028	2.00 - 4.00	8,935	2,600	-
UNM Hospital Mortgage Bond	2032	0.48 - 3.53	115,000	54,795	6,975
Subordinate Lien System Imp. Revenue Series 2001	2026	Variable	52,625	3,450	-
Subordinate Lien System Refunding Revenue Series 2002 B	2026	Variable	25,475	3,665	-
Subordinate Lien System Refunding Revenue Series 2002 C	2030	Variable	37,840	14,345	-
Subordinate Lien System Imp. Revenue Series 2016A	2046	2.00 - 5.00	158,435	126,625	-
Subordinate Lien System Imp. Revenue Series 2017	2047	3.25 - 5.00	40,900	35,165	-
Subordinate Lien System Imp. Revenue Series 2019	2032	1.85 - 3.02	22,140	13,290	-
Subordinate Lien System Ref. Revenue Series 2021	2035	0.17 - 2.17	74,450	62,740	-
System Improvement Revenue Bond - Series 2023	2053	4.13 - 5.50	51,995	51,330	26,930
Total Direct Placements				<u>445,000</u>	<u>40,765</u>
Total Revenue Bonds and Loans, Business-type Activities				<u>\$ 1,008,867</u>	<u>\$ 64,739</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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>
2026	\$64,739	\$34,492	\$ 99,231
2027	61,420	32,290	93,710
2028	63,554	30,471	94,025
2029	64,308	28,534	92,842
2030	65,175	26,646	91,821
2031 - 2035	282,298	102,859	385,157
2036 - 2040	167,151	61,169	228,320
2041 - 2045	133,271	36,371	169,642
2046 - 2050	97,530	10,786	108,316
2051 - 2055	9,421	1,055	10,476
Total	<u>\$ 1,008,867</u>	<u>\$ 364,673</u>	<u>\$ 1,373,540</u>

Of the total of bonds and loans payable for business-type activities, \$167 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)

	<u>Payable to Ext. Entities</u>	<u>Due to NMFA</u>	<u>Total</u>
Current:			
Direct Borrowings:			
Due to NMFA	\$ -	\$ 9,177	\$ 9,177
Due to Other Fin. Inst.	14,797	-	14,797
Payable to External Entities	40,765	-	40,765
Total Current	<u>55,562</u>	<u>9,177</u>	<u>64,739</u>
Long-Term:			
Direct Borrowings:			
Due to NMFA	-	158,113	158,113
Due to Other Fin. Inst.	381,780	-	381,780
Payable to External Entities	404,235	-	404,235
Total Long-Term	<u>786,015</u>	<u>158,113</u>	<u>944,128</u>
Total	<u>\$ 841,577</u>	<u>\$ 167,290</u>	<u>\$ 1,008,867</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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:	<i>State of New Mexico - Severance Tax Bonds</i>
Purpose of Bonds:	Construction and acquisition of capital projects statewide
Total Amount of Bonds Issued:	\$ 1.8 billion
Type of Revenues Pledged:	Severance tax revenues collected from oil, gas, and mineral extraction activities.
Term of Commitment:	Through June 30, 2032
Total Debt Service Remaining:	\$ 1.4 billion
Revenue Stream for Current Year:	\$ 2.1 billion
Debt Service for Current Year:	\$ 166.3 million
Agency:	<i>Department of Transportation</i>
Purpose of Bonds:	Construct and improve State highway and transportation system.
Total Amount of Bonds Issued:	\$ 1.0 billion
Type of Revenues Pledged:	Gasoline excise taxes, motor vehicle registration and other fees deposited into State Road Fund, plus Federal Highway Fund revenues
Term of Commitment:	Through June 30, 2031
Total Debt Service Remaining:	\$ 578.2 million
Revenue Stream for Current Year:	\$ 1.1 billion
Debt Service for Current Year:	\$ 85.9 million
Agency:	<i>Spaceport Authority</i>
Purpose of Bonds:	Construction of the Spaceport America launch facility.
Total Amount of Debt Issued:	\$35.4 million
Type of Revenues Pledged:	Authority's share of governmental gross receipts tax revenue
Total Debt Service Remaining:	\$ 18.4 million
Term of Commitment:	Through June 30, 2029
Revenue Stream for Current Year:	\$ 12.1 million
Debt Service for Current Year:	\$ 4.6 million
Agency:	<i>Bernalillo County Metropolitan Court</i>
Purpose of Bonds:	Court parking structure
Total Amount of Debt Issued:	
Type of Revenues Pledged:	Court facilities fees collected.
Total Debt Service Remaining:	
Term of Commitment:	Through June 30, 2025
Revenue Stream for Current Year:	
Debt Service for Current Year:	

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

E. Pledged Revenue (Continued)

Governmental Activities (Continued)

Agency:	General Services Department
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:	\$ 158.7 million
Term of Commitment:	Through June 30, 2039
Revenue Stream for Current Year:	\$ 8.2 million
Debt Service for Current Year:	\$ 7.9 million

Business-Type Activities

Agency:	Miners' Colfax Medical Center
Purpose of Bonds:	Improvement and expansion of medical facilities
Total Amount of Bonds Issued:	
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:	
Term of Commitment:	
Revenue Stream for Current Year:	
Debt Service for Current Year:	

Agency:	Educational Institutions (UNM, NMSU, ENMU, WNMU, NMCI, NMHU, NM Tech)
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:	\$ 1.3 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, 2025**

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 2025, the State has adopted the rate of 3.70% for lease terms greater than one year and less than five years, 3.87% for lease terms greater than five years and less than 10 years, 4.81% 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:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u> <i>(Expressed in Thousands)</i>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 52,054	\$ 11,104	\$ 63,158
2027	49,719	10,110	59,829
2028	45,958	9,211	55,169
2029	39,060	8,330	47,390
2030	34,194	7,550	41,744
2031 - 2035	146,869	26,909	173,778
2036 - 2040	112,620	12,316	124,936
2041 - 2045	39,330	2,785	42,115
2046 - 2050	6,333	857	7,190
2051 - 2055	3,263	171	3,434
2056 - 2060	397	18	415
Total	<u>\$ 529,797</u>	<u>\$ 89,361</u>	<u>\$ 619,158</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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>
2026	\$ 10,431	\$ 1,015	\$ 11,446
2027	7,942	793	8,735
2028	5,003	609	5,612
2029	2,771	481	3,252
2030	2,177	375	2,552
2031 - 2035	4,360	1,168	5,528
2036 - 2040	2,795	611	3,406
2041 - 2045	1,900	110	2,010
Total	<u>\$ 37,379</u>	<u>\$ 5,162</u>	<u>\$ 42,541</u>

Fiduciary Activities
(Expressed in Thousands)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 152	\$ 61	\$ 213
2027	411	55	466
2028	421	50	471
2029	420	44	464
2030	330	40	370
2031 - 2035	1,030	144	1,174
2036 - 2040	1,101	47	1,148
2041 - 2045	266	-	266
Total	<u>\$ 4,131</u>	<u>\$ 441</u>	<u>\$ 4,572</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>
2026	\$95	\$13	\$ 108
2027	59	10	69
2028	52	5	57
2029	30	2	32
Total	<u>\$ 236</u>	<u>\$ 30</u>	<u>\$ 266</u>

* Total interest not furnished.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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:

<i>Governmental Activities (Expressed in Thousands)</i>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$13,297	\$452	\$ 13,749
2027	6,206	262	6,468
2028	2,188	148	2,336
2029	973	104	1,077
2030	608	74	682
2031 - 2035	2,167	126	2,293
Total	<u>\$ 25,439</u>	<u>\$ 1,166</u>	<u>\$ 26,605</u>

<i>Business-Type Activities (Expressed in Thousands)</i>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$17,539	\$1,254	\$ 18,793
2027	15,110	776	15,886
2028	4,420	391	4,811
2029	3,082	245	3,327
2030	1,645	148	1,793
2031 - 2035	3,940	160	4,100
Total	<u>\$ 45,736</u>	<u>\$ 2,974</u>	<u>\$ 48,710</u>

<i>Discretely-Presented Component Units (Excluding State Charter Schools) (Expressed in Thousands)</i>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 181	\$ 2	\$ 183
2027	141	3	144
2028	82	6	88
Total	<u>\$ 404</u>	<u>\$ 11</u>	<u>\$ 415</u>

<i>Fiduciary Activities (Expressed in Thousands)</i>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$712	\$18	\$ 730
2027	319	3	322
Total	<u>\$ 1,031</u>	<u>\$ 21</u>	<u>\$ 1,052</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, conduit debt obligations outstanding are as follows:

New Mexico Hospital Equipment Loan Council Conduit Debt <i>(Expressed in Thousands)</i>	
	Balance June 30, 2025
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	105,275
Lovelace Health Systems, Series 2011	32,800
Lovelace Health Systems, Series 2012	26,165
Presbyterian Healthcare Services Series 2015 A	182,310
San Juan Regional Medical Center, Series 2017	4,679
Presbyterian Healthcare Services, Series 2017 A - B	301,785
Haverland Carter Series 2019 A - C	88,210
Presbyterian Healthcare Series 2019 A - C	304,245
San Juan Regional Medical Center Series 2020	27,070
Haverland Carter Series 2022	28,620
San Juan Regional Medical Center Series 2022	14,837
Total	\$1,133,613

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 \$1.2 million as of June 30, 2025.

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, 2025, this site is excluded from the estimated pollution remediation liability which for Superfund sites totals \$64.5 million.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Balance	Additions	Deletions	Ending Balance
Amount Due Within One Year	\$ 1,746	\$ 2,047	\$ (1,833)	\$ 1,960
Amount Due in More than One Year	56,590	8,518	(1,384)	63,724
Total Pollution Remediation Liabilities	<u>\$ 58,336</u>	<u>\$ 10,565</u>	<u>\$ (3,217)</u>	<u>\$ 65,684</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 Nambé, 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.

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, 2025. 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 \$18.2 million in the financial statements as of June 30, 2025.

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

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

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Rights Settlement	Disbursed To Date	Balance, June 30, 2025
Aamodt	\$ 91,700	\$ 12,800
Taos	14,596	5,453
Navajo	30,949	-
Total	<u>\$ 137,245</u>	<u>\$ 18,253</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, 2025 and 2024 were \$87 and \$26, 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 Expiration	Series 2001	Series 2002B	Series 2002C	Grand Total
6/1/2026	\$ 3,450	\$ 3,665	\$ -	\$ 7,115
9/15/2026	\$ -	\$ -	\$ 14,345	\$ 14,345
	<u>\$ 3,450</u>	<u>\$ 3,665</u>	<u>\$ 14,345</u>	<u>\$ 21,460</u>
Liquidity Fees	2001	2002B	2002C	Total
FY25	<u>\$ 7</u>	<u>\$ 15</u>	<u>\$ 65</u>	<u>\$ 87</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Interest Rate Swap Agreements

On June 30, 2025, UNM had the following derivative instruments outstanding (expressed in thousands):

Item/ Counter-Party	Type	Objective	Effective Date	Maturity Date	Terms	Current Fair Value	Current Notional Amount
Hedging Derivatives:							
A - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	\$ (12)	\$ 863
B - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2030	Receive SIFMA USD - Pay 3.9% Fixed	(524)	14,345
C - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2002B Refunding Revenue Bonds (Underlying Swap)	1/14/2003	6/1/2026	Receive SIFMA USD - Pay 3.8% Fixed	(43)	3,665
D - RBC Royal Bank	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	(13)	863
Investment Derivatives:							
E - JP Morgan	Pay-Variable/Receive Variable Interest Rate Swap	Hedge against falling SIFMA rates related to the 2001 System Improvement Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2026	Receive 63.6% of 5-Year USD Swap Rate + 0.3% - Pay SIFMA	14	1,725
F - JP Morgan	Pay-Variable/Receive Variable Interest Rate Swap	Hedge against falling SIFMA rates related to the 2002C Refunding Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2030	Receive 63.6% of 5-Year USD Swap Rate + 0.3% - Pay SIFMA	104	14,345

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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	A1	P-1	A+	A-1	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, 2025, 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, 2025**

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 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, 2025; therefore, no collateral has been posted.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Derivative Instrument Payments and Hedged Debt

As of June 30, 2025, 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 Ending June 30.	Principal	Interest	Hedging Derivative Instruments, Net	Total
2026	\$9,900	\$582	\$243	\$ 10,725
2027	2,900	275	180	3,355
2028	3,030	241	100	3,371
2029	3,160	161	60	3,381
2030	2,470	77	21	2,568
2031 - 2035	-	-	-	-
Total	<u>\$ 21,460</u>	<u>\$ 1,336</u>	<u>\$ 604</u>	<u>\$ 23,400</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, 2025. 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 2025 for the hedge instruments was a \$81 thousand increase to the liability and an equal offsetting decrease 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, 2025, was recorded to unrealized loss in the amount of \$271 thousand.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, follow:

Note Payable Debt Service Requirements to Maturity (Expressed in Thousands)			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,279	\$ 252	\$ 2,531
2027	2,087	175	2,262
2028	2,218	92	2,310
2029	381	8	389
Total	<u>\$ 6,965</u>	<u>\$ 527</u>	<u>\$ 7,492</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.

On February 1, 2023, a note payable was formed in the amount of \$3.3M between the NMHU and NMHUF to purchase a building and its land that the NMHUF had been leasing to the NMHU. The note carries a 6% interest rate with monthly payments of \$55.5K and matures on January 1, 2029.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units

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

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

Bond Series	Interest Rate (%)	Maturity Date	Original Issue	Balance June 30, 2025
Public Project Revolving Fund - Senior Lien:				
2014 B	3.0 - 5.0	2023 - 2035	\$ 58,235	\$ -
2015 B - C	3.0 - 5.0	2023 - 2045	90,800	61,385
2016 A - F	2.0 - 5.0	2023 - 2046	315,540	140,895
2017 A - E	3.0 - 5.0	2023 - 2038	138,130	66,125
2018 A - D	2.5 - 5.0	2023 - 2038	200,170	102,105
2019 B - D	3.0 - 5.0	2023 - 2041	97,130	68,235
2020 A - B	2.0 - 5.0	2023 - 2041	113,305	68,360
2021 A - C	3.0 - 5.0	2023 - 2041	83,145	55,030
2022 A - C	2.8 - 5.0	2023 - 2042	186,285	150,665
2023 A -1, 2	5	2024 - 2053	75,775	66,060
2023 B	5.0 - 5.3	2024 - 2048	162,480	144,365
2024 B	5	2025 - 2043	45,315	42,315
2025 A - 1, 2	5	2025 - 2049	99,210	96,610
Subtotal			<u>1,665,520</u>	<u>1,062,150</u>
Public Project Revolving Fund - Subordinate Lien:				
2014 A-1, 2	3.3 - 5.0	2023 - 2034	31,940	-
2015 A, D	3.0 - 5.0	2023 - 2035	92,745	29,195
2017 B - F	3.0 - 5.0	2023 - 2036	128,725	25,085
2018 C - E	4.0 - 5.0	2024 - 2039	102,780	67,175
2019 A - C	2.5 - 5.0	2023 - 2039	68,555	43,065
2020 C-1 & C-2	1.0 - 5.0	2023 - 2050	96,820	64,120
2021 B	5.0	2023 - 2032	31,305	21,400
2024 A	5.0	2024 - 2048	49,890	40,435
2025 B	5.0	2024 - 2048	42,685	42,685
Subtotal			<u>645,445</u>	<u>333,160</u>
Total Public Project Revolving Fund and Total Bonds Outstanding			<u>\$ 2,310,965</u>	1,395,310
Add: Net Unamortized Premium				189,784
Total Bonds Payable				<u>\$ 1,585,094</u>
Current Portion				<u>\$ 142,110</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units (Continued)

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

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

Bond Series	Interest Rate (%)	Maturity Date	Balance, September 30, 2025
Single Family Mortgage Programs:			
Series 2013 A - C	2.2 - 4.5	2043	\$ 18,234
Series 2014 A - B	2.8 - 5.0	2044	4,738
Series 2015 A - E	2.6 - 4.0	2045	16,518
Series 2016 A - C	2.0 - 3.8	2046	37,205
Series 2017 A - B	2.0 - 3.8	2048	26,940
Series 2018 A - D	2.4 - 4.3	2049	100,970
Series 2019 A - F	1.6 - 4.3	2050	209,425
Series 2020 A - B	0.5 - 3.5	2051	84,080
Series 2021 A - C	0.3 - 3.0	2052	239,732
Series 2022 A - E	0.7 - 6.3	2053	337,659
Series 2023 A - D	2.5 - 5.8	2054	342,370
Series 2024 A - F	3.2 - 6.3	2055	453,575
Series 2025 AB - EF	3.1 - 6.3	2055	359,740
Subtotal			<u>2,231,186</u>
Unaccreted Bond Premium/ Discount, Net			63,284
Total Bonds Payable			<u><u>\$ 2,294,470</u></u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units (Continued)

Annual debt service requirements to maturity are as follows:

New Mexico Mortgage Finance Authority Notes Payable <i>(Expressed in Thousands)</i>		Debt Service Requirements to Maturity <i>(Expressed in Thousands)</i>			
Note	Balance September 30, 2025	Fiscal Year Ending September 30,	Principal	Interest	Total
PRLF Cash and Loans	\$ 3,060	2026	\$ 50,876	\$ 357	\$ 51,233
Jefferson Building	6,430	2027	908	261	1,169
Securities and Loans Held for Sale	50,000	2028	941	226	1,167
Subtotal	<u>59,490</u>	2029	976	190	1,166
Other Direct Borrowings Without Assets Pledged	-	2030	1,012	152	1,164
Total Direct Borrowings	<u>\$ 59,490</u>	2031 - 2035	3,246	250	3,496
		2036 - 2040	773	61	834
		2041 - 2045	590	23	613
		2046 - 2050	141	3	144
		2051 - 2055	27	1	28
		Total	<u>\$ 59,490</u>	<u>\$ 1,524</u>	<u>\$ 61,014</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:

New Mexico Finance Authority <i>(Expressed in Thousands)</i>				New Mexico Mortgage Finance Authority <i>(Expressed in Thousands)</i>		
Fiscal Year Ending September 30,	Principal	Interest	Total	Principal	Interest	Total
2026	\$142,685	\$64,410	\$ 207,095	\$48,604	\$95,324	\$ 143,928
2027	125,580	57,385	182,965	42,585	93,973	136,558
2028	115,455	51,406	166,861	44,210	92,585	136,795
2029	105,920	46,178	152,098	45,850	91,094	136,944
2030	98,160	41,310	139,470	47,660	89,495	137,155
2031 - 2035	431,095	140,503	571,598	280,764	418,715	699,479
2036 - 2040	225,490	62,071	287,561	375,506	356,084	731,590
2041 - 2045	102,575	24,284	126,859	475,942	268,481	744,423
2046 - 2050	41,275	6,757	48,032	514,110	158,942	673,052
2051 - 2055	7,075	755	7,830	351,405	43,575	394,980
2056 - 2060	-	-	-	4,550	137	4,687
Subtotal	<u>1,395,310</u>	<u>495,059</u>	<u>1,890,369</u>	<u>2,231,186</u>	<u>1,708,405</u>	<u>3,939,591</u>
Unamortized Premium	189,784	-	189,784	63,284	-	63,284
Total	<u>\$ 1,585,094</u>	<u>\$ 495,059</u>	<u>\$ 2,080,153</u>	<u>\$ 2,294,470</u>	<u>\$ 1,708,405</u>	<u>\$ 4,002,875</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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>
2026	\$ 28,364	\$ 15,476	\$ 43,840
2027	16,918	12,513	29,431
2028	9,674	11,739	21,413
2029	7,613	11,356	18,969
2030	14,245	12,275	26,520
2031 - 2035	49,192	44,813	94,005
2036 - 2040	38,046	33,533	71,579
2041 - 2045	41,588	20,733	62,321
2046 - 2050	31,144	9,184	40,328
2051 - 2055	8,267	897	9,164
Total	<u>\$ 245,051</u>	<u>\$ 172,519</u>	<u>\$ 417,570</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, 2025**

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, 2025, follows (expressed in thousands):

	<u>General Fund</u>	<u>Severance Tax</u>	<u>Land Grant</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Children's Trust</u>	<u>Total</u>
Nonspendable:							
Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	39,677	-	-	-	-	-	39,677
Other	161,375	-	-	-	-	2,000	163,375
Total Nonspendable	<u>\$ 201,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 203,052</u>
Restricted:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 5,897,657	\$ -	\$ 5,897,657
Culture, Recreation, and Natural Resources	552,753	-	-	2,960	-	-	555,713
Education	551,551	-	-	-	-	-	551,551
General Control	17,296,542	11,742,912	36,435,609	1,031,889	-	-	66,506,952
Health and Human Services	497,585	-	-	-	-	7,787	505,372
Highway and Transportation	823,266	-	-	21,285	-	-	844,551
Judicial	51,272	-	-	3,340	-	-	54,612
Legislature	18,451	-	-	-	-	-	18,451
Public Safety	297,190	-	-	-	-	-	297,190
Regulation and Licensing	175,349	-	-	40,994	-	-	216,343
Total Restricted	<u>\$ 20,263,959</u>	<u>\$ 11,742,912</u>	<u>\$ 36,435,609</u>	<u>\$ 1,100,468</u>	<u>\$ 5,897,657</u>	<u>\$ 7,787</u>	<u>\$ 75,448,392</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

A. Governmental Fund Balances (Continued)

	General Fund	Severance Tax	Land Grant	Debt Service	Capital Projects	Children's Trust	Total
Committed:							
Culture, Recreation, and Natural Resources	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23
Education	20,052	-	-	-	20	-	20,072
General Control	11,212	-	-	-	-	-	11,212
Health and Human Services	100,213	-	-	-	-	2,500	102,713
Regulation and Licensing	14,200	-	-	-	-	-	14,200
Total Committed	<u>\$ 145,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 2,500</u>	<u>\$ 148,220</u>
Assigned:							
Health and Human Services	\$ 228,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,356
Judicial	1,133	-	-	-	-	-	1,133
Regulation and Licensing	4,763	-	-	-	-	-	4,763
Total Assigned	<u>\$ 234,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,252</u>
Unassigned:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture, Recreation, and Natural Resources	30,087	-	-	-	-	-	30,087
Debt Service	-	-	-	-	-	-	-
Education	(25,233)	-	-	-	-	-	(25,233)
General Control	790,136	-	-	-	-	-	790,136
Health and Human Services	61,770	-	-	-	-	-	61,770
Highway and Transportation	58,459	-	-	-	-	-	58,459
Judicial	(20,103)	-	-	-	-	-	(20,103)
Legislature	(14,709)	-	-	-	-	-	(14,709)
Public Safety	139,448	-	-	-	-	-	139,448
Regulation and Licensing	(16,312)	-	(1)	(743)	(40,101)	-	(57,157)
Total Unassigned	<u>\$ 1,003,543</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (743)</u>	<u>\$ (40,101)</u>	<u>\$ -</u>	<u>\$ 962,698</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025.

C. Change in Accounting Principle

Effective July 1, 2024, the State implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$84.2 M in the governmental activities including \$1.2M related to Internal Service Funds, \$26.1M in the business type activities, \$1.1 M related to fiduciary activities and \$6.8M related to component unit activities.

D. Correction of an Error in Previously Issued Financial Statements

Governmental Funds

During the fiscal year ended June 30, 2025, the State determined that errors in accounting for certain transactions had been made in prior fiscal year in relation to overstating deferred inflows of resources and receipts held in suspense for the general fund, and changes in reporting entity or classification for several funds resulted in the restatement of beginning fund balance.

E. Adjustments

The general fund reflected a change in inventory of \$3M during the fiscal year.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

The effect of the adjustments and corrections follows (expressed in thousands):

Summary of Adjustments, Net Position/Fund Balance

Government-Wide Statements -

Governmental Activities:

Governmental Funds - Implementation of GASBS 101	\$ (83,022)
Internal Service Funds - Implementation of GASBS 101	(1,198)
Governmental Funds - fund financial statement adjustments	31,274
Total Government-Wide Adjustments	<u>\$ (52,946)</u>

Business-Type Activities, Educational Institutions:

Higher Education Institutions - Implementation of GASBS 101	\$ (24,924)
Non-Major Business Type Funds - Implementation of GASBS 101	(1,132)
	<u>\$ (26,056)</u>

Governmental fund financial statements:

Major Governmental Funds

General Fund - Correction of Prior Year Errors	\$ 35,188
General Fund - Change in Inventory	(3,494)
General Fund - Reclassification of Funds	(6,333)
	<u>\$ 25,361</u>

Internal Service Funds

Fleet Operations - Implementation of GASBS 101	\$ (69)
Risk Management - Implementation of GASBS 101	(172)
Printing and Records - Implementation of GASBS 101	(266)
Communication Services - Implementation of GASBS 101	(490)
Information Processing - Implementation of GASBS 101	(201)
Total Internal Service Funds	<u>\$ (1,198)</u>

Nonmajor Governmental Funds

Capital Project Fund - Reclassification of Funds	\$ 5,913
Total Governmental Fund Adjustments	<u>\$ 31,274</u>

Fiduciary Funds:

Public Employees Retirement - Implementation of GASBS 101	\$ (505)
Educational Employees Retirement System - Implementation of GASBS 101	(500)
New Mexico Retiree Health Care Authority - Implementation of GASBS 101	(78)
Deferred Compensation (IRC 457) Plan - Implementation of GASBS 101	(14)
Custodial Fund - Reclassification of Funds	420
Total Adjustments, Fiduciary Funds	<u>\$ (677)</u>

Component Units

Charter Schools - Implementation of GASBS 101 and changes in reporting entity due to changes year over year regarding which charter schools are state chartered versus locally chartered	7,905
	<u>\$ 7,905</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

The following schedule reconciles June 30, 2025, 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 - Governmental Activities	Total Net Position - Internal Svc. Funds	Total Fund Balances - Governmental Funds
Governmental Activities:			
Beg. Net Position/Fund Balances, as Previously Reported	\$ 67,459,361	\$ (263,389)	\$ 66,094,716
Adjustments	(52,946)	(1,198)	31,274
Beg. Net Position/Fund Balances, after adjustments	\$ 67,406,415	\$ (264,587)	\$ 66,125,990
Effect on Change in Net Position/Fund Balance FYE June 30, 2024	\$ (52,946)	\$ (1,198)	\$ 31,274
	Net Position - Business-Type Activities	Educational Institutions	Nonmajor Enterprise
Business-Type Activities:			
Beginning Net Position, as Previously Reported	\$ 3,074,048	\$ 2,016,136	\$ 1,057,912
Adjustments	(26,056)	(24,924)	(1,132)
Beginning Net Position, After Adjustments	\$ 3,047,992	\$ 1,991,212	\$ 1,056,780
Effect on Change in Net Position FYE June 30, 2024	\$ (26,056)	\$ (24,924)	\$ (1,132)
Fiduciary and Component Units:	Pension Trust Funds	Custodial Funds	Charter Schools
Beg. Net Position, as Previously Reported	\$ 37,611,112	\$ 189,846	\$ (160,312)
Adjustments	(1,097)	420	(7,905)
Beg. Net Position, after adjustments	\$ 37,610,015	\$ 190,266	\$ (168,217)
Effect on Change in Net Position FYE June 30, 2024	\$ (1,097)	\$ 420	\$ (7,905)

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, were \$464 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, 2025 and the date the claims are ultimately expected to be paid.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Balance	Incurred (Net of Actuarial Provision)	Payments	Ending Balance	Current Amount Due
State Unemployment	\$ 3,832	\$ 5,270	\$ (5,171)	\$ 3,931	\$ 3,832
Local Public Body	823	1,062	(1,040)	845	824
Public Property Reserve	7,607	10,011	(10,623)	6,995	6,401
Public Liability	358,552	102,031	(61,282)	399,301	162,458
Surety Bond	4	(1)	-	3	2
Workers' Compensation	57,454	10,162	(14,606)	53,010	13,381
Group Insurance Premium	49,737	2,701	-	52,438	49,737
Total	<u>\$ 478,009</u>	<u>\$ 131,236</u>	<u>\$ (92,722)</u>	<u>\$ 516,523</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
JUNE 30, 2025

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, 2025**

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, 2025, 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	316	16	12	363	220
Retirees and Beneficiaries					
Receiving Benefits	44,115	204	111	1,642	54,774
Terminated Plan Members not yet Receiving Benefits	26,846	49	18	316	54,756
Active Plan Members	46,901	131	62	7,711	61,503

* Note: PERA Retirement Fund includes the Legislative Fund

B. Funding and Benefit Policies

Public Employees Retirement System (PERS)

This plan is a cost-sharing, 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, 2025

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
JUNE 30, 2025**

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
JUNE 30, 2025**

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 (53rd Legislature) in 2017, House Bill 2 was passed that reduced the State's distribution to the legislative retirement fund from \$75,000 a month to \$-0- 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
JUNE 30, 2025

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
JUNE 30, 2025

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
JUNE 30, 2025

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, 2025**

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 18.15% of gross covered salaries in fiscal year 2024 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, 2025

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, 2025

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, 2025

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, 2025**

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, 2024. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2025. The net pension liability of each plan as of June 30, 2025, is as follows:

Public Employees Retirement Association and Education Retirement Board					
Net Pension Liability, By Fund					
<i>(Expressed in Thousands)</i>					
	PERA-Public Employees Retirement System	PERA-Judicial Retirement System	PERA-Magistrate Retirement System	PERA-Volunteer Firefighters Retirement System	ERB-Educational Employees Retirement System
Total Pension Liability	\$27,584,873	\$244,070	\$66,287	\$53,802	\$27,498,850
Plan's Fiduciary Net Position	(18,630,231)	(123,542)	(34,702)	(91,812)	(18,960,351)
Net Pension Liability (Asset)	<u>\$ 8,954,642</u>	<u>\$ 120,528</u>	<u>\$ 31,585</u>	<u>\$ (38,010)</u>	<u>\$ 8,538,499</u>
Percentage of Fiduciary Net Position to Total Pension Liability	<u>67.54 %</u>	<u>50.62 %</u>	<u>52.35 %</u>	<u>170.65 %</u>	<u>68.95 %</u>

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2024. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2025. These assumptions were adopted by the Board for use in the June 30, 2024 actuarial valuation.

	PERS	JRS	MRS	VFRS	EERS
Valuation Date	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
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%-11.50%	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 %	6.62 %	7.25 %	7.25 %	7.00 %
Municipal Bond Rate	-	5.20 %	-	-	-

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, 2025**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

The following presents the net pension liability of the various plans, calculated using the discount rate, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

<u>Net Pension Liability</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
PERS	<u>\$ 12,435,275</u>	<u>\$ 8,954,642</u>	<u>\$ 6,089,253</u>
Single-Employer Funds:			
Judicial	<u>(5.22%) \$ 164,851</u>	<u>(6.22%) \$ 120,528</u>	<u>(7.22%) \$ 98,251</u>
Volunteer Firefighters	<u>(6.25%) \$ (32,112)</u>	<u>(7.25%) \$ (38,011)</u>	<u>(8.25%) \$ (42,943)</u>
Magistrate	<u>(6.25%) \$ 38,189</u>	<u>(7.25%) \$ 31,585</u>	<u>(8.25%) \$ 26,010</u>
ERB	<u>(6.00%) \$ 12,004,330</u>	<u>(7.00%) \$ 8,538,499</u>	<u>(8.00%) \$ 6,105,755</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

PERA Asset Allocations

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Public Employees Retirement Association All Systems		Long-Term Expected Rate of Return
Asset Class	Target Allocation	
Global Equity	46.00 %	3.50 %
Core Fixed Income	13.00	2.20
Credit	17.00	3.30
Absolute Return	6.00	2.40
Real Assets	18.00	4.50
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, 2025**

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

ERB Asset Allocations

Schedule of Asset Allocation Versus Policy Targets

	Allocation	Policy Target ¹
Equities:		
Domestic Equities:		
Large Cap	13.3 %	15.0 %
Small-Mid Cap	3.3	4.0
International Equities:		
Developed	4.8	5.0
Emerging Markets	4.5	4.0
Total Equities	25.9	28.0
Fixed Income:		
Core Fixed Income	5.2	6.0
Opportunistic Credit	16.2	18.0
Total Fixed Income	21.4	24.0
Alternatives:		
Real Estate - REITS	0.6	-
Private Real Estate	8.8	8.0
Private Equity	21.1	17.0
Global Asset Allocation	0.8	2.0
Inflation-Linked Assets	12.1	12.0
Other	7.9	8.0
Total Alternatives	51.3	47.0
Cash	1.4	1.0
Total	100.0 %	100.0 %

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, 2025**

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, 2025, the annual money-weighted rate of return on the PERA pension plan investments net of investment expense was 9.49%. For the ERB pension plan, it was 9.88%.

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

State – Funded Divisions of PERA

For the fiscal year ended June 30, 2025, 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, 2024.

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 \$321 million for the fiscal year ended June 30, 2025.

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 Liability
State General	\$ (4,820,825)
State Police	291,669
Legislative	(3,492)
Total	\$ (4,532,648)

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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)	\$ 4,446,057
Business-Type Activities (Including Nonmajor Enterprise Funds and Two Educational Institutions)	86,091
Total	<u>\$ 4,532,148</u>

At June 30, 2025, the State’s total proportion of the PERA State Funded Divisions net pension liability was 50.64%. Total contributions for State Funded Divisions were \$274.6 million, \$46.6 million, and \$-0- for the three divisions respectively. Pension expense (income) was \$536.3 million, \$36.1 million, and \$10.5 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, 2025 (expressed in thousands).

	<u>Judicial</u>	<u>Volunteer Firefighters</u>	<u>Magistrate</u>
Net Pension Liability (Asset)	<u>\$ 120,623</u>	<u>\$ (32,300)</u>	<u>\$ 40,810</u>

1. Contributions

Contributions from the State to the PERA Judicial, Magistrate Retirement, and Volunteer Firefighter funds were \$4.35 million, \$1.2 million, and \$.75 million, respectively, for the year ended June 30, 2025.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 \$121 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, 2025, the State recognized \$26 million as pension expense for the Judicial Retirement Funds. Also, for the year ended June 30, 2025, the State recognized \$2 million as pension expense for the Magistrate Retirement Fund, respectively.

The Volunteer Firefighters Retirement Fund reported a plan net asset of \$32.3 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 \$1.6 million.

At June 30, 2025, 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	\$ 200,269	\$ (40,180)	\$ 3,484	\$ (748)
Changes of Assumptions	121,991	(17)	1,984	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	132,484	-	2,274	-
State Contributions Subsequent to Measurement Date	321,274	-	5,496	-
Total	<u>\$ 776,018</u>	<u>\$ (40,197)</u>	<u>\$ 13,238</u>	<u>\$ (748)</u>

The amounts of \$321.2 million for governmental activities and \$5.5 million for business-type activities, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2024, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2025. 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
2026	\$ 52,428	2026	\$ 885
2027	315,391	2027	5,321
2028	59,973	2028	1,012
2029	(13,244)	2029	(224)
2030	-	2030	-
Thereafter	-	Thereafter	-

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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).

Volunteer Firefighter's Fund	Governmental	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	\$ -	\$ (8,762)
Changes of Assumptions	534	(788)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,370	-
State Contributions Subsequent to Measurement Date	750	-
Total	\$ 2,654	\$ (9,550)

The amount of \$750 thousand, reported as deferred outflows of resources related to pensions resulting from the State’s contributions subsequent to the measurement date June 30, 2024, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2025. 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
2026	\$ (2,788)
2027	(151)
2028	(1,909)
2029	(1,867)
2030	(764)
Thereafter	(167)

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, 2025, from the State to the ERB were \$1.9 million for governmental activities and \$213 million from the 12 educational institutions reported as business-type activities.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2023. Therefore, the employer's portion was established as of the measurement date June 30, 2024. On June 30, 2025, the State reported a liability of \$20 million for its proportionate share of the net pension liability covering state employees in governmental activities, and \$2.3 billion for the collective proportionate share of the 12 educational institutions reported as business-type activities. At June 30, 2024, 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, 2024. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

For the year ended June 30, 2025, the State recognized pension income of \$2.5 million in governmental activities and \$162 million in business-type activities. At June 30, 2025, 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	\$ 1,629	\$ (44)	\$ 184,872	\$ (5,026)
Changes of Assumptions	-	(523)	-	(59,416)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(605)	-	(68,676)
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	-	(1,770)	17,923	(41,382)
State Contributions Subsequent to Measurement Date	1,914	-	213,132	-
Total	<u>\$ 3,543</u>	<u>\$ (2,942)</u>	<u>\$ 415,927</u>	<u>\$ (174,500)</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):

Year Ending June 30,	Governmental	Year Ending June 30,	Business-Type
	Amount		Amount
2026	\$ (1,563)	2026	\$ (58,471)
2027	483	2027	106,311
2028	(70)	2028	(951)
2029	(164)	2029	(18,493)
2030	-	2030	-
Thereafter	-	Thereafter	-

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Asset	Net Pension Liability		Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:			Governmental Activities:		
PERA - State Divisions	\$ -	\$ 4,446,557	PERA - State Divisions, Judicial and Magistrate	\$ 776,018	\$ (40,197)
PERA - Judicial	-	120,623	PERA - Volunteer Firefighters	2,654	(9,550)
PERA - Magistrate	-	40,810	ERB	3,542	(2,942)
PERA - Volunteer Firefighters	32,300	-			
ERB	-	19,972	Total Governmental Activities	782,214	(52,689)
Total Governmental Activities	32,300	4,627,962			
Business-Type Activities :			Business-Type Activities :		
PERA - State Divisions	-	86,091	PERA - State Divisions	13,238	(748)
ERB	-	2,267,138	ERB	415,927	(174,500)
Total Business-Type Activities	-	2,353,229	Total Business-Type Activities	429,165	(175,248)
Component Units		342,346	Component Units	104,569	(38,701)

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, 2024 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
JUNE 30, 2025**

NOTE 11 PENSION PLANS (CONTINUED)

F. Discount Rates and Sensitivity Analysis (Continued)

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

Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
State-Funded Divisions	\$ 6,023,245	\$ 4,532,648	\$ 3,299,288
Single-Employer Funds:			
Judicial	(4.54%) \$ 147,080	(5.54%) \$ 120,623	(6.54%) \$ 98,350
Volunteer Firefighters	(6.25%) \$ (26,420)	(7.25%) \$ (32,300)	(8.25%) \$ (37,216)
Magistrate	(4.84%) \$ 49,089	(5.84%) \$ 40,810	(6.84%) \$ 33,925

ERB

A single discount rate of 7.00% was used to measure the Total Pension Liability as of June 30, 2025. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels. Additionally, contributions received through Alternative Retirement Plan and the Return-to-Work Program are included in the projection of cash flows. These contributions are assumed to remain a level percentage of NMERB payroll, where the percentage of payroll is based on the most recent five-year contribution history.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Net Pension Liability	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
State Employees (Governmental Activities)	\$ 27,462	\$ 19,972	\$ 13,772
Educational Institution Employees (Business-Type Activities)	3,117,443	2,267,138	1,563,409
Total Primary Government- ERB	\$ 3,144,905	\$ 2,287,110	\$ 1,577,181

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, 2025

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 12th 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
JUNE 30, 2025**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. Plan Description (Continued)

Plan Membership (Not in Thousands):	
Current Retirees and Surviving Spouses	50,813
Inactive and Eligible for Deferred Benefit	14,005
Current Active Members	98,861
Total	163,679
Active Membership:	
State General	18,815
State Police and Corrections	2,509
Municipal General	17,821
Municipal Police	3,390
Municipal Fire	2,736
ERB	53,590
Total	98,861
Total Number of Participating Employers	305

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
JUNE 30, 2025**

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, 2025**

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
JUNE 30, 2025**

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.

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, 2025, 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, 2025, 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.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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
JUNE 30, 2025**

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 2025 were \$3.9 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, 2025.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

Investments and Fair Value Measurements (Continued)

The RHCA invested in a number of investment pools offered by New Mexico State Investment Council (NMSIC). Each pool consists of units of participation of unlimited quantity. The pools are held in NMSIC's name. No unit in the pool has priority or preference over any other unit and represents an equal beneficial interest in the pool. The valuation of the RHCA's units in the investment pool is provided by the NMSIC on a monthly basis and represents the fair market value as of that date. Therefore, RHCA has determined that all the investments are measured at Net Asset Value as a practical expedient (NAV practical expedient).

The table below summarizes the investments valued at NAV practical expedient and other pertinent liquidity information:

Investments Measured at NAV Practical Expedient	Fair Value June 30, 2025	Redemption Frequency	Redemption Notice Period
U.S. Large Cap Index Pool	\$ 272,898	4 Times Per Year	3 Months
Non U.S. Emerging Markets Index Pool	149,340	Daily	5 Business Days
Non U.S. Developed Markets Index Pool	255,220	4 Times Per Year	3 Months
Private Equity Pool	237,787	4 Times Per Year	3 Months
Private Debt Market Pool	263,968	Daily	5 Business Days
Real Estate Pool	149,045	4 Times Per Year	3 Months
U.S. Small/Mid Cap Active Pool	34,792	Daily	5 Business Days
Real Return Pool	91,990	Daily	3 Months
Core Bond Pool	365,830	Daily	5 Business Days
Total	<u>\$ 1,820,870</u>		

There are requirements for frequency and timing of actuarial valuations, as well as actuarial methods and assumptions that are acceptable for financial reporting. The Authority obtains actuarial valuations at least biannually and a single actuarial valuation covers all plan members.

RHCA Asset Allocations

RHCA's investment allocation policy is periodically reviewed and amended by the Board of Trustees, as needed. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Further detail of the individual Investment Pools and their management can be obtained from a publicly available financial report that includes financial statements and required supplementary information for the postemployment healthcare plan at RHCA website <https://www.nmrhca.state.nm.us>.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, were as follows:

Valuation Date	June 30, 2025
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	3.25% to 11.50% based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Discount rate	7.25%
Health Care Cost Trend Rate	8.25% graded down to 4.50% over 15 years for Non-Medicare medical plan costs and 8.50% graded down to 4.50% over 15 years for Medicare medical plan costs

Schedule of Annual Money-Weighted
Rate of Return

Year Ended June 30,	Annual Money- Weighted Rate of Return
<u>2025</u>	<u>10.58 %</u>

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions. The following schedule summarizes the current investment allocation policy as of June 30, 2025:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocations</u>
U.S. Core Fixed Income	20 %
U.S. Equity - Large Cap	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	<u>100 %</u>

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. Core Fixed Income	1.9 %
U.S. Equity - Large Cap	5.9
Non U.S. - Emerging Markets	7.4
Non U.S. - Developed Equities	6.2
Private Equity	9.7
Credit and Structured Finance	6.1
Real Estate	3.5
Absolute Return	4.0
U.S. Equity - Small/Mid Cap	6.7

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, 2025. 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 7.25% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 7.5% 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 7.25%, 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):

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net OPEB Liability	\$ 1,996,155	\$ 1,556,677	\$ 1,190,600

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):

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 1,157,265	\$ 1,556,677	\$ 2,045,917

The total OPEB liability, net OPEB liability, and certain sensitivity information presented are based on an actuarial valuation performed as of June 30, 2024. The total OPEB liability was rolled forward from the valuation date to the plan year ending June 30, 2025. The component of net OPEB liability as of June 30, 2025, is as follows:

Total OPEB Liability	<u>\$ 3,422,409</u>
Plan Fiduciary Net Position	<u>(1,865,732)</u>
Net OPEB Liability	<u><u>\$ 1,556,677</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.52%
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**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, from the State to the RHCA were \$33.8 million for governmental activities and \$.4 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, 2024. Therefore, the employer's portion was established as of the measurement date June 30, 2024. At June 30, 2025, the State reported a liability of \$425 million for its proportionate share of the net OPEB liability covering state employees in governmental activities, and \$51.2 million for its proportionate share of the net OPEB liability covering state employees business-type activities. At June 30, 2024, the proportion was 23.81% for governmental activities and 2.58% 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, 2024.

For the year ended June 30, 2025, the State recognized a reduction to OPEB expense of \$87.6 million in governmental activities and an increase to OPEB expense of \$12.2 million in business-type activities.

At June 30, 2025, 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	\$ 4,554	\$ (44,380)	\$ 54	\$ (529)
Changes of Assumptions	79,504	(269,427)	948	(3,213)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,798	-	45	-
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	9,192	(8,871)	110	(105)
State Contributions Subsequent to Measurement Date	33,768	-	403	-
Total	<u>\$ 130,816</u>	<u>\$ (322,678)</u>	<u>\$ 1,560</u>	<u>\$ (3,847)</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, 2025**

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	\$ (68,142)	2025	\$ (813)
2026	(91,178)	2026	(1,087)
2027	(60,171)	2027	(717)
2028	(14,149)	2028	(169)
2029	8,010	2029	96
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 (6%) or 1-percentage-point higher (8%) 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% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Governmental Activities	\$ 535,793	\$ 424,872	\$ 333,947
Business-Type Activities	64,556	51,193	40,236
Total Primary Government - RHCA	<u>\$ 600,349</u>	<u>\$ 476,065</u>	<u>\$ 374,183</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

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

	Employer Reporting Sensitivity of the Net Pension Liability to Changes in the Trend Rate (Expressed in Thousands)		
Net OPEB Liability	1% Decrease	Current Rate	1% Increase
Governmental Activities	\$ 328,337	\$ 424,872	\$ 672,789
Business-Type Activities	39,560	51,193	81,063
Total Primary Government - RHCA	\$ 367,897	\$ 476,065	\$ 753,852

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, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2024, but adjusted for a change in the discount rate. The components of the net OPEB liability of the University at June 30, 2025 was as follows (expressed in thousands):

	June 30, 2025
Total OPEB Liability	\$ 205,796
Plan Fiduciary Net Position	(87,224)
University's Net OPEB Liability	\$ 118,572
Plan Fiduciary Net Pension as a Percentage of the Total OPEB Liability	42.38%

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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	2.5%
Salary Increases	2.0%
Investment Rate of Return	6.0%, 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 Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years Dental: 4.0%

Mortality rates were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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, 2025 was 5.78%.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, which was measured using the discount rate of 5.78%, 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 (4.78%) or 1-percentage-point higher (6.78%) than the current discount rate (expressed in thousands).

	1% Decrease (4.78%)	Current Discount Rate (5.78%)	1% Increase (6.78%)
Net OPEB Liability	\$ 142,561	\$ 118,572	\$ 98,336

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, 2024, 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 3.5%, Post-Medicare: 7.25% decreasing to 3.50%, 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 Discount	1% Increase
Net OPEB Liability	\$ 97,062	\$ 118,572	\$ 144,227

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

For the year ended June 30, 2025, the University recognized OPEB expense of \$6.9 million. At June 30, 2025 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 (in Thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,012	\$ (25,099)
Changes of Assumptions	32,364	(1,233)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(3,736)
Contributions Subsequent to the Measurement Date	-	-
Total	\$ 35,376	\$ (30,068)

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 has been 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>
2026	\$ 6,272
2027	(264)
2028	(68)
2029	(988)
2030	357
Thereafter	-
Total	\$ 5,309

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 2025:

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 Liability
Total OPEB Liability - Beginning of Year (July 1, 2023)	\$ 139,662
Changes for the Year:	
Service Cost	3,851
Interest Cost	5,527
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	-20070
Benefit Payments	(5,773)
Net Changes	(16,465)
 Net OPEB Liability - End of Year (June 30, 2024)	 \$ 123,197

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, 2025, 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, 2025
Discount Rate	5.20% per annum (EOY) Source: Bond Buyer 20-Bond GO Index
Salary Increase Rate	2.5% per annum
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 5.20% was used to measure the total OPEB liability as of June 30, 2025.

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, 2025 (expressed in thousands).

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
New Mexico State University's Net OPEB Liability	<u>\$ 108,447</u>	<u>\$ 123,197</u>	<u>\$ 141,383</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 2025. 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, (4.20%) or 1-percentage-point higher, (6.20%) than the single discount rate for June 30, 2025 (expressed in thousands).

	1% Decrease (6.20%)	Current Discount Rate (5.20%)	1% Increase (4.20%)
New Mexico State University's Net OPEB Liability	\$ 109,105	\$ 123,197	\$ 140,394

For the year ended June 30, 2025, the University recognized an OPEB expense of \$6.6 million. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (3,537)
Changes of Assumptions	4,236	(16,673)
Total	\$ 4,236	\$ (20,210)

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):

Year Ending June 30,	Amount
2026	\$ (8,178)
2027	(5,434)
2028	(2,361)
2029	-
Total	\$ (15,971)

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2025.

The components of the Institute's net OPEB liability at June 30 2025, were as follows (expressed in thousands):

	<u>June 30, 2025</u>
Total OPEB Liability	\$ 53,712
Plan Fiduciary Net Position	(4,901)
The Institute's Net OPEB Liability	<u>\$ 48,811</u>

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	9%
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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 June 30, 2025, 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, reduced by decrements to a rate of 4.5% after 10 years. Medical Post-Medicare: 6.25% initially, reduced by decrements to a rate of 4.5% after 10 years consistent for next seven years. Pharmacy: 12% initially, reduced by decrement to a rate of 4.5% after 10 years Dental and Vision: 3.0%

Mortality rate were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 3.94%, 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, 2025, which was measured using the discount rate of 3.94% 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 (2.94%) or 1-percentage-point higher (4.94%) than the current rate (expressed in thousands):

	1% Decrease (2.94%)	Current Discount Rate (3.94%)	1% Increase (4.94%)
Net OPEB Liability	\$ 56,833	\$ 48,810	\$ 39,336

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, 2025, 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 Discount	1% Increase
Net OPEB Liability	\$ 38,702	\$ 48,810	\$ 57,898

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, the Institute recognized OPEB expenses of \$3.8 million. At June 30, 2025, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Actual and Expected Experience	\$ 6,500	\$ (6,714)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investment	119	-
Changes of Assumptions	8,268	(12,848)
Institute Contribution Subsequent to the Measurement Date	854	-
Total	<u>\$ 15,741</u>	<u>\$ (19,562)</u>

The \$854 thousand 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, 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>Amounts</u>
2026	\$ (447)
2027	(40)
2028	289
2029	34
2030	(1,636)
Thereafter	(2,875)
Total	<u>\$ (4,675)</u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025**

NOTE 15 SEGMENT INFORMATION

	Educational Institutions								
	State Fair Commission	Miners' Colfax Medical Center	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
Condensed Statement of Net Position:									
Current Assets	\$ 4,376	\$ 17,385	\$ 256,126	\$ 66,653	\$ 20,103	\$ 105,378	\$ 42,947	\$ 52,000	\$ 1,773,692
Other Assets	56,665	2,457	361,504	112,122	46,902	143,891	71,590	9,196	656,210
Capital Assets, Net	40,945	16,433	549,449	218,674	101,629	170,680	91,757	88,062	2,170,859
Total Assets	<u>101,986</u>	<u>36,275</u>	<u>1,167,079</u>	<u>397,449</u>	<u>168,634</u>	<u>419,949</u>	<u>206,294</u>	<u>149,258</u>	<u>4,600,761</u>
Deferred Outflows of Resources	1,242	7,468	96,067	23,056	17,966	34,425	8,043	13,805	287,836
Current Liabilities	2,491	4,175	117,118	43,441	23,850	26,058	8,760	10,027	731,187
Long-Term Liabilities	6,998	42,736	737,444	142,270	94,797	181,261	55,495	83,855	2,299,135
Total Liabilities	<u>9,489</u>	<u>46,911</u>	<u>854,562</u>	<u>185,711</u>	<u>118,647</u>	<u>207,319</u>	<u>64,255</u>	<u>93,882</u>	<u>3,030,322</u>
Deferred Inflows of Resources	59,485	3,077	84,180	23,087	14,175	31,943	7,167	15,116	149,371
Net Investment in Capital Assets	40,945	16,650	444,508	187,020	81,794	154,907	76,749	62,918	1,434,372
Restricted	458	1,008	96,335	15,230	769	13,314	47,319	12,576	219,634
Unrestricted	(7,149)	(23,903)	(216,439)	9,457	(28,785)	46,891	18,847	(21,429)	54,898
Total Net Position	<u>\$ 34,254</u>	<u>\$ (6,245)</u>	<u>\$ 324,404</u>	<u>\$ 211,707</u>	<u>\$ 53,778</u>	<u>\$ 215,112</u>	<u>\$ 142,915</u>	<u>\$ 54,065</u>	<u>\$ 1,708,904</u>
Condensed Statement of Activities:									
Operating Revenues:									
Charges for Services	\$ 15,403	\$ 31,077	\$ 13,445	\$ 1,444	\$ 4,782	\$ 5,750	\$ -	\$ 6,590	\$ 151,465
Net Student Tuition and Fees	-	-	45,520	17,109	16,358	5,691	2,750	15,614	106,838
Loan and Other Income	-	-	-	-	-	-	-	-	-
State, Local, Private Grants/Contracts	-	-	-	-	5,332	2,458	6,723	-	17,665
Patient Income	-	-	-	-	-	-	-	-	1,844,550
Federal Funds	-	-	129,787	14,977	22,792	73,903	1,369	3,533	219,568
Other Operating Revenues	35	260	20,298	23,133	7,767	27,510	2,689	5,635	147,857
Total Operating Revenue	<u>15,438</u>	<u>31,337</u>	<u>209,050</u>	<u>56,663</u>	<u>57,031</u>	<u>115,312</u>	<u>13,531</u>	<u>31,372</u>	<u>2,487,943</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 SEGMENT INFORMATION (CONTINUED)

	Educational Institutions								
	State Fair Commission	Miners' Colfax Medical Center	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
Condensed Statement of Activities (Continued)									
Operating Expenses:									
Operating Expenses	\$ 1	\$ -	\$ 127,102	\$ 27,705	\$ 57,618	\$ 109,177	\$ 16,043	\$ 28,256	\$ 2,205,235
Depreciation Expense	2,277	2,570	43,350	10,949	6,001	13,400	3,954	6,969	139,087
General and Administrative	16,923	32,740	454,271	92,223	46,583	47,786	23,023	41,849	849,044
Total Operating Expenses	<u>19,201</u>	<u>35,310</u>	<u>624,723</u>	<u>130,877</u>	<u>110,202</u>	<u>170,363</u>	<u>43,020</u>	<u>77,074</u>	<u>3,193,366</u>
OPERATING INCOME (LOSS)	(3,763)	(3,973)	(415,673)	(74,214)	(53,171)	(55,051)	(29,489)	(45,702)	(705,423)
Nonoperating Revenue (Expense):									
Government Grants and Contracts	250	1,087	56,921	9,663	8,682	-	-	4,622	83,751
Net Investment Income	602	230	-	8,824	-	15,236	6,723	1,000	90,360
Other Revenue	-	-	32,950	4,329	(3,094)	6,652	301	-	303,969
Interest Expense	-	(106)	(160)	(945)	-	-	(358)	-	(25,096)
Private Grants And Gifts	-	-	-	-	2,739	2,897	-	-	-
Gain (Loss) On Sale Of Capital Assets	-	-	(1,392)	-	-	-	-	(725)	(336)
Total Nonoperating Income (Expense)	<u>852</u>	<u>1,211</u>	<u>88,319</u>	<u>21,871</u>	<u>8,327</u>	<u>24,785</u>	<u>6,666</u>	<u>4,897</u>	<u>452,648</u>
Capital Contributions	-	-	79,264	7,862	-	376	-	1,616	54,104
Permanent Fund Contributions	-	-	6,463	-	3,296	580	-	-	-
Net Transfers	5,181	18,321	466,698	111,537	64,194	75,941	39,461	51,200	605,268
CHANGE IN NET POSITION	2,270	15,559	225,071	67,056	22,646	46,631	16,638	12,011	406,597
Net Position - Beginning	<u>31,984</u>	<u>(21,804)</u>	<u>99,333</u>	<u>144,651</u>	<u>31,132</u>	<u>168,481</u>	<u>126,277</u>	<u>42,054</u>	<u>1,302,307</u>
NET POSITION - ENDING	<u>\$ 34,254</u>	<u>\$ (6,245)</u>	<u>\$ 324,404</u>	<u>\$ 211,707</u>	<u>\$ 53,778</u>	<u>\$ 215,112</u>	<u>\$ 142,915</u>	<u>\$ 54,065</u>	<u>\$ 1,708,904</u>

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 SEGMENT INFORMATION (CONTINUED)

	Educational Institutions								
	State Fair Commission	Miners' Colfax Medical Center	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
Condensed Statement of Cash Flows:									
Net Cash Provided (Used) by:									
Operating Activities	\$ (3,837)	\$ (22,360)	\$ (361,349)	\$ (94,351)	\$ (60,061)	\$ (43,559)	\$ (29,789)	\$ (40,131)	\$ (580,399)
Noncapital Financing Activities	2,050	28,141	137,498	108,277	59,356	59,600	278	39,845	905,483
Capital and Related Financing Activities	(19)	(739)	(13,637)	(393)	(4,858)	(4,571)	2,099	(3,352)	(140,811)
Investing Activities	602	231	294,927	(6,344)	(20,267)	(17,071)	29,384	1,576	74,893
Cash and Cash Equivalents at Beginning of Year	<u>3,219</u>	<u>1,961</u>	<u>131,742</u>	<u>26,640</u>	<u>26,192</u>	<u>27,411</u>	<u>32,229</u>	<u>16,891</u>	<u>444,226</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,015</u></u>	<u><u>\$ 7,234</u></u>	<u><u>\$ 189,181</u></u>	<u><u>\$ 33,829</u></u>	<u><u>\$ 362</u></u>	<u><u>\$ 21,810</u></u>	<u><u>\$ 34,201</u></u>	<u><u>\$ 14,829</u></u>	<u><u>\$ 703,392</u></u>

STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 2025, 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, 2025

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, 2025. The projects include highway construction, university infrastructure, and facilities construction and renovation. At year-end, the State's commitments for construction were \$652.5 million for governmental activities and \$304.2 million for business-type activities.

B. Loan Commitments

New Mexico Environment Department

The New Mexico Environment Department had loan commitments at June 30, 2025 of the following:

- Wastewater Loan Construction Fund – the agency has executed binding commitments to disburse \$55.2 million for future loans.
- Rural Infrastructure Loan Fund – the agency has executed binding commitments to disburse \$10.6 million for future loans.

New Mexico Energy, Mineral, and Natural Resources Department

The Department had contractual commitments related to various capital projects on June 30, 2025, related to projects in progress. On June 30, 2025, the Department spent \$3,700,086 on these projects and had remaining contractual commitments of \$2,119,530. These projects are funded through the Capital Projects GGRT Funds, State Parks Funds, Severance Tax Bond Funds, and General Fund Special Appropriation 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, 2025**

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, 2025, unfunded commitments to private equity partnerships were approximately \$4.19 billion, unfunded commitments to real estate and real asset investments were approximately \$5.65 billion, and unfunded commitment to the Private Debt Pool was \$4.09 billion. Due to the nature of these investments, the Office cannot predict when these capital contributions will be called. Subsequent to June 30, 2025, the Office approved an additional \$4.62 billion of commitments to private equity, real estate, and real asset partnerships.

NOTE 19 CONTINGENCIES

A. Contingent Liabilities

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, 2025 and 2024, the Authority is committed to assume a risk of approximately \$3,470,000 and \$4,110,000 for the 32 and 34 loans closed, respectively.

These loans are considered in the Authority's assessment for the allowance for mortgage loan losses. As of September 30, 2025, of the 32 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 \$3,470,000 risk assumed as of September 30, 2025, the Authority's assumed risk approximated \$138,000 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, 2025

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, 2025 and 2024, the Authority is committed to assume a risk of approximately \$95,000 and \$98,000 for the one loan closed, respectively.

B. Other Matters

Federal Funds

In fiscal year 2025, 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

81400 – New Mexico Mortgage Finance Authority

On October 31, 2025, a Special Appropriation Grant Agreement was executed between Department of Finance and Administration (DFA) and the Authority for Grant Number 25-ZJ5049. The grant is \$2 million for the North Central Economic Development District for housing projects for senior citizens living in manufactured housing.

On November 20, 2025, the Authority issued convertible option bonds in the amount of \$192.9 million (2025 Series G). The Single Family Mortgage Program Class I Bonds will be issued under the 2005 General Indenture. Proceeds will preserve tax-exempt bond authority for future new money bond issuances. The bonds have mandatory tender dates by or before December 1, 2026.

38500- New Mexico Finance Authority

On October 15, 2025, New Mexico Finance Authority (NMFA) issues PPRF 2025C bond in the amount of 216.18million.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 20 SUBSEQUENT EVENTS (CONTINUED)

A. Bond Issues (Continued)

34103 – Board of Finance/Department of Finance and Administration

On December 23, 2025, General Fund liquidity account purchased two notes in the total of 237,842,351, series STB 2025S-C 24,246,585 and series SSTB 2025S-D 213,595,766, respectively.

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, 2026 and July 1, 2026 that should be retained in the Severance Tax Bonding Fund in accordance with NMSA 1978 Section 7-27-8 is \$203,910,013.89.

On January 28, 2026, State of New Mexico Capital Projects General Obligation Bonds, series 2026 was issued in the amount of 63,825,000.

B. Other Events

92400 – New Mexico Public Education Department

On August 8, 2025, Mission Achievement and Success Charter School and Mission Achievement and Success Education Foundation, Inc. entered into a lease purchase agreement of \$16.2 million. The agreement requires payments of \$92 thousand over 30 years and carries an interest rate of 5.5% per annum.

On November 4, 2025, the New Mexico Academy of the Media Arts entered into a 10-year \$1.2 million lease purchase agreement with a private party. The agreement required an initial downpayment of \$50 thousand and monthly payments between \$5,230 - \$13,666.

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. The Group Insurance Premium Stabilization fund was in a deficit net position at July 1, 2025 and was appropriated amounts to clear the deficit prior to transferring the remaining assets and liabilities to the New Mexico Health Care Authority.

**STATE OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 50,074	\$ 418,406	\$ 304,636	\$ (113,770)
Federal Revenue	1,015,280	1,012,166	14,021,014	13,008,848
Investment Income	195,846	197,955	383,931	185,976
Rentals and Royalties	218,467	226,014	200,456	(25,558)
Charges for Services	10,718,102	13,129,998	10,928,875	(2,201,123)
Licenses, Fees, and Permits	26,789	26,873	2,575,705	2,548,832
Assessments	16,201	16,551	1,891,981	1,875,430
Miscellaneous and Other	181,781	208,324	481,223	272,899
Operating Transfers In	10,955,808	11,029,293	-	(11,029,293)
Total Revenues	<u>23,378,348</u>	<u>26,265,580</u>	<u>30,787,821</u>	<u>4,522,241</u>
 Fund Balance Budgeted	 <u>320,654</u>	 <u>990,320</u>		
Total	23,699,002	27,255,900		
EXPENDITURES				
Culture, Recreation, and Natural Resources:				
Arts Program	2,418	2,790	2,696	94
Conservation Services Program	28,000	35,661	31,660	4,001
Dep Damage Nuisance Abatement	1,191	1,191	547	644
Energy Efficiency & Renewable	6,524	26,524	13,714	12,810
Field Operations Program	12,315	12,353	11,826	527
Game and Fish Administration	9,440	9,440	4,816	4,624
Healthy Forests	60,219	60,969	33,417	27,552
Interstate Stream Commission	15,077	91,160	13,081	78,079
Land Trust Stewardship	26,918	29,493	28,671	822
Library Services	8,333	9,108	7,841	1,267
Litigation & Adjustment Pro	9,079	9,079	8,090	989
Livestock Inspection	9,699	9,799	8,971	828
Meat Inspection Division	1,051	1,051	570	481
Mine Reclamation	13,822	19,432	7,527	11,905
Museum and Monuments	36,780	37,823	33,846	3,977
Music Commission	177	177	177	-
Natural Resource Damage Assess	10,800	12,100	9,590	2,510
Office of the State Engineer	6,088	6,088	6,088	-
Oil Conservation	58,202	59,402	28,613	30,789
Parks and Recreation	30,531	44,736	24,829	19,907
Preservation	4,283	4,383	3,708	675
Program Support	12,221	12,866	11,857	1,009
Water Resource Allocation Prog	20,735	24,603	20,572	4,031
Youth Conservation Corps.	5,882	6,082	4,998	1,084
Total Culture, Recreation, and Natural Resources	<u>389,785</u>	<u>526,310</u>	<u>317,705</u>	<u>208,605</u>
Education:				
Administrative Services	6,356	6,356	5,833	523
Disability Determination	18,363	18,363	14,724	3,639
Independent Living	1,550	1,582	1,554	28
Operations	31,291	35,724	30,067	5,657
OPPORTUNITY SCHOLARSHIP	162,000	14,950	14,897	53
Public Schools Facilities Auth	7,411	7,411	6,775	636
Rehab Services	30,296	35,764	34,388	1,376
SDE Operation	65,966	33,391	32,736	655
Student Financial Aid	77,649	25,995	14,907	11,088
Total Education	<u>400,882</u>	<u>179,536</u>	<u>155,881</u>	<u>23,655</u>

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

EXPENDITURES (CONTINUED)	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
General Control:				
Administrative Hearings Office	\$ 2,894	\$ 2,939	\$ 2,666	\$ 273
Agency Program Code	5,134	5,134	4,774	360
Broadband	2,389	2,389	2,389	-
Comm. Dev. & Local Govt. Asst.	46,096	51,806	43,211	8,595
Compliance and Project Managem	1,022	1,022	1,022	-
Compliance Inforcement	2,097	2,097	1,954	143
Criminal & Juvenile Justice	1,566	1,646	1,630	16
Cybersecurity Office	6,207	8,621	7,327	1,294
Elections	12,867	23,923	21,607	2,316
Executive Mgmt. & Leadership	6,533	6,533	6,329	204
Facilities Management Division	20,370	21,662	33,464	(11,802)
Fiscal Mgmt. & Oversight	7,807	7,807	7,678	129
Infrastructure Planning Dev	1,570	1,570	1,368	202
Medicaid Fraud Program	4,537	4,537	4,068	469
Motor Vehicle	45,567	45,567	42,792	2,775
New Mexico State Personnel	4,673	4,772	5,064	(292)
Office of the Attorney General	32,820	33,970	31,927	2,043
Policy Dev., Fiscal & Budget	6,388	6,388	6,064	324
Program Support	31,332	33,818	47,778	(13,960)
Property Tax	6,491	6,491	5,750	741
Pub Employee Labor Rel. Board	305	305	298	7
Records Info & Archival Mgmt.	3,190	3,190	2,708	482
Secretary of State	5,242	5,242	5,201	41
State Investment Program	73,058	83,957	80,324	3,633
State Ombudsman Program	839	839	799	40
State Purchasing	2,964	3,159	3,121	38
State Treasurer's Office	5,106	5,456	4,983	473
TAA	40,158	40,446	39,624	822
Total General Control	379,222	415,286	415,920	(634)
Health and Human Services:				
Administration	27,008	36,354	27,362	8,992
Adult Protective Services Prog	21,656	21,656	16,605	5,051
Behavioral Health Services	151,129	170,296	152,732	17,564
Blind Services Program	9,821	11,021	10,018	1,003
Brain Injury Advisory Council	235	235	213	22
Child Support Enforcement Pro	42,954	44,507	40,677	3,830
Community Involvement	58,231	58,638	56,828	1,810
DD Planning Council & Info Ctr	2,060	2,085	2,065	20
Dev Disabilities Services Div	37,282	37,282	32,399	4,883
Div of Health Improvement	22,093	23,263	20,119	3,144
Early Childhood Services	380,196	398,708	391,883	6,825
Elder Rights & Health Advocacy	4,922	6,243	4,971	1,272
Employment Services	35,569	48,266	34,847	13,419
Environmental Health Division	18,985	19,012	16,683	2,329
Environmental Protection Div	23,864	30,544	21,158	9,386
Family Support & Early Inter	67,215	67,215	62,925	4,290
Income Support Program	1,356,921	1,689,205	1,896,255	(207,050)
Information/Advocacy & Service	1,290	1,418	939	479
Information/Advocacy Services	2,087	2,436	1,923	513
Juvenile Justice Services	80,165	79,835	76,040	3,795
Labor Relations Division	6,343	6,343	5,531	812
Martin Luther King Jr. Program	391	391	365	26

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Health and Human Services (Continued):				
Medicaid Behavioral Health Pr.	\$ 938,947	\$ 976,947	\$ 896,329	\$ 80,618
Medical Assistance Program	8,885,409	9,940,041	9,135,462	804,579
Medical Cannabis Program	2,517	2,517	2,469	48
NM Comm of the Status of Women	419	492	474	18
Ofc of Family Rep and Advocacy	11,612	11,855	10,448	1,407
Office of Guardianship	8,508	8,688	8,572	116
Policy, Research & Quality	37,276	44,085	36,062	8,023
Pre-K Division	238,174	239,050	235,198	3,852
Program Area 1 - Admin.	23,188	28,881	22,663	6,218
Program Area 2 - Public Health	262,028	270,566	238,144	32,422
Program Area 3 - Epi/Response	57,934	82,987	51,020	31,967
Program Area 4 - Lab Services	18,419	20,854	17,673	3,181
Program Area 6 - Facilities	177,632	199,664	181,394	18,270
Program One	5,022	5,022	4,193	829
Program Support	169,200	194,305	294,592	(100,287)
Protective Services	230,996	231,041	221,495	9,546
Resource Management Division	19,406	23,154	18,910	4,244
Resource Protection Division	21,481	22,691	16,475	6,216
Special Revenue Funds	13,590	12,990	11,139	1,851
Telecommunication Approp.	3,162	3,162	2,326	836
Unemployment Insurance	14,117	14,117	11,925	2,192
Uninsured Employers Fund	1,065	1,065	989	76
Veteran's Services Program	9,803	9,978	9,312	666
Water Protection Division	92,968	94,040	34,865	59,175
Worker's Compensation Admin	12,652	13,284	13,144	140
Workforce Technology Serv Div	22,596	22,946	21,715	1,231
Total Health and Human Services	13,628,538	15,229,375	14,369,526	859,849
Highways and Transportation:				
Highway Operations	320,358	383,478	322,230	61,248
Modal	97,900	188,836	81,319	107,517
Program Support	53,954	55,954	50,017	5,937
Project Design and Construction	801,101	1,914,414	317,048	1,597,366
Total Highways and Transportation	1,273,313	2,542,682	770,614	1,772,068
Judicial:				
Administrative Support	102,058	102,744	96,876	5,868
Bernalillo County Metro Court	36,423	36,710	36,042	668
Court Of Appeals Program	9,718	9,718	9,694	24
District Court	16,618	17,066	21,004	(3,938)
Eighth Judicial District Court	7,224	7,285	7,129	156
Fifth Jud Dist Court	15,227	15,227	14,990	237
First Judicial District Court	15,369	15,871	15,303	568
Fourth Judicial District Court	6,669	6,965	6,536	429
Judicial	8,197	8,214	8,169	45
Judicial Standards Comm. Prog.	1,142	1,142	1,137	5
Magistrate Courts	16,857	16,857	14,592	2,265
N. M. Compilation Commission	1,573	1,573	1,332	241
New Mexico Supreme Court	9,132	9,207	9,134	73
Ninth Judicial District Court	7,361	7,706	7,565	141
Prosecution Program	4,607	4,623	4,621	2
Prosecution Program P251	9,013	9,384	9,059	325

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

EXPENDITURES (CONTINUED)	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Judicial (Continued):				
Prosecution Program P252	\$ 37,558	\$ 39,258	\$ 37,907	\$ 1,351
Prosecution Program P253	7,875	7,875	7,821	54
Prosecution Program P254	4,901	4,901	4,796	105
Prosecution Program P255	8,277	8,412	8,379	33
Prosecution Program P257	3,895	3,895	3,859	36
Prosecution Program P258	4,605	4,605	4,601	4
Prosecution Program P259	4,779	4,788	4,783	5
Prosecution Program P260	2,173	2,173	2,173	-
Prosecution Program P261	7,637	7,676	7,527	149
Prosecution Program P262	5,507	5,510	5,447	63
Prosecution Program P263	9,142	9,197	9,008	189
Prosecution Program P265	3,495	3,495	2,796	699
Rollup Only	16,688	16,630	16,265	365
Second Judicial District Court	44,184	43,361	40,218	3,143
Seventh District Court	5,661	5,661	5,453	208
Statewide Judiciary Automation	17,309	17,309	10,475	6,834
Tenth Judicial Dist Crt Prog	2,487	2,547	2,423	124
Third Judicial District Court	15,996	16,129	15,729	400
Twelfth Judicial District Ct.	7,597	7,817	7,642	175
Total Judicial	476,954	481,531	460,485	21,046
Legislative:				
Education Study Committee	1,899	1,899	1,683	216
Legislative Analysis and Oversight Program	7,461	7,461	7,085	376
Total Legislative	9,360	9,360	8,768	592
Public Safety:				
Community Offender Management	40,872	40,879	39,673	1,206
Federal Grant Administration	23,333	23,333	17,930	5,403
Homeland Sec & Emerg. Mgmt.	195,564	470,570	225,787	244,783
Inmate Management & Control	282,250	282,219	273,435	8,784
Juvenile Justice Services	2,157	2,927	2,716	211
Law Enforcement Program	174,616	177,017	173,465	3,552
National Guard Support Program	34,472	50,143	37,899	12,244
Parole Board Program	789	789	712	77
Program Support	31,064	31,059	28,392	2,667
Reentry	22,072	22,471	21,209	1,262
State Fire Marshal's Office	108,630	120,968	120,405	563
State Law Enforcemen Supp Prog	34,594	34,915	13,342	21,573
Victim Compensation Program	5,190	5,190	4,450	740
Total Public Safety	955,603	1,262,480	959,415	303,065

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Regulation and Licensing:				
Administration	\$ 1,718	\$ 1,718	\$ 1,674	\$ 44
ASD/PEPS	1,428	1,881	1,355	526
Board Of Architects	590	590	468	122
Boards and Commissions	10,871	10,871	10,207	664
Cannabis Control Division	5,134	5,134	5,134	-
Economic Development	21,427	53,641	25,049	28,592
Film Division	1,840	2,031	1,752	279
Horse Racing Regulation	7,062	7,062	5,591	1,471
Insurance Fraud and Auto Theft	2,757	2,832	3,480	(648)
Insurance Policy	17,392	18,542	16,399	2,143
Manufactured Housing Division	1,655	1,655	448	1,207
Marketing & Promotion	21,870	21,870	21,833	37
Medical Examiners Licensing	3,525	3,525	2,981	544
Military Base Planning Support	309	309	236	73
New Mexico Border Authority	613	613	548	65
Nursing Licensing & Cert	4,273	4,273	3,293	980
Outdoor Recreation	1,187	1,566	1,129	437
Outreach	3,262	3,262	2,951	311
Policy and Regulation	11,950	12,343	11,224	1,119
Program Four	4,365	4,365	2,672	1,693
Program One	20,169	20,169	20,112	57
Program Support	11,016	11,016	10,615	401
Program Three	2,263	2,263	2,084	179
Program Two	6,546	6,546	5,112	1,434
Securities Division	2,186	2,186	1,819	367
Spaceport Authority	13,200	14,230	11,432	2,798
Veterinary Licensing Program	1,491	1,491	397	1,094
Total Regulation and Licensing	<u>180,099</u>	<u>215,984</u>	<u>169,995</u>	<u>45,989</u>
State Fair Commission				
New Mexico State Fair	476	476	449	27
Total State Fair Commission	<u>476</u>	<u>476</u>	<u>449</u>	<u>27</u>
Special Purpose				
Creative Industries	375	375	375	-
Total State Fair Commission	<u>375</u>	<u>375</u>	<u>375</u>	<u>-</u>
Special Appropriations:				
Special Appropriations	4,929,657	5,064,058	4,819,293	244,765
Total Special Appropriations	<u>4,929,657</u>	<u>5,064,058</u>	<u>4,819,293</u>	<u>244,765</u>
Total Expenditures	<u>22,623,413</u>	<u>25,926,602</u>	<u>22,448,426</u>	<u>3,479,000</u>

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

Budget Basis to GAAP Basis Reconciliation

Net Change in Fund Balance (Budgetary Basis)	\$ 8,339,395
Differences:	
Transfer In	17,140,863
Transfer Out	(7,980,162)
Multi-year amounts budgeted in prior years:	
Revenue recognized in current year	2,203,199
Expenditures recognized in current year	(2,042,559)
Revenues and other financing sources, other than Bud Ref 124, 924, and multi-year	3,713
Expenditures and other financing uses, other than Bud Ref 124, 924, and multi-year	1,004
Non-budgeted expenditures:	
AC 555106 - BU 34101	(823,826)
AC series 56xxx and 57xxx	(13,399,731)
Other	<u>176,990</u>
Total Net Change in Fund Balance as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 3,618,886</u>

See accompanying Notes to Budgetary Reporting.

STATE OF NEW MEXICO
NOTES TO BUDGETARY REPORTING
JUNE 30, 2025
(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, 2025
(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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$616,243	\$ 507,878	\$ 451,586	\$ 452,128	\$ 409,242	\$ 401,166	\$ 403,879	\$ 376,310	\$ 405,561	\$ 390,221
Interest	1,874,448	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
Benefit Changes	-	8,750	30,512	3,658	-	(710,227)	-	-	-	-
Difference Between Expected and Actual Experience	324,563	603,837	408,899	(146,670)	310,352	213,521	(54,005)	113,712	(584,186)	330,751
Changes of Assumptions	-	270,278	-	-	-	(222)	-	545,510	(62,778)	424,792
Benefit Payments	(1,492,620)	(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)
Refunds of Contributions	(60,822)	(52,844)	(51,237)	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)
Net Change in Total Pension Liability	1,261,812	1,646,146	1,095,348	520,440	920,491	151,414	606,585	1,314,495	82,106	1,469,984
Total Pension Liability - Beginning	26,323,062	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
Total Pension Liability - Ending (a)	27,584,874	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
Plan Net Position:										
Contributions - Employer	583,060	521,674	454,462	395,408	379,185	368,425	339,676	319,499	332,473	324,752
Contributions - Member	478,533	428,675	373,214	326,720	309,552	297,153	281,643	282,847	272,829	265,529
Special Fund Appropriation	-	-	-	2,414	-	55,000	-	-	-	-
Net Investment Income	1,765,981	1,334,676	898,162	(745,218)	3,799,141	(223,545)	935,561	1,004,227	1,500,759	47,445
Benefit Payments	(1,492,620)	(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)
Administrative Expenses	(17,362)	(16,399)	(15,594)	(16,010)	(12,730)	(14,318)	(13,583)	(12,667)	(11,506)	(10,754)
Refunds of Contributions	(60,822)	(52,844)	(51,237)	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)
Other	1,958	2,335	2,391	2,713	1,991	1,646	2,047	2,110	471	12,318
Net Change in Plan Net Position	1,258,728	773,172	244,184	(1,459,302)	3,121,964	(815,560)	297,063	412,310	965,812	(430,047)
Plan Net Position - Beginning	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	14,255,528
Prior Period Adjustments	(499)	-	-	-	-	-	-	(745)	6,447	1,177
Plan Net Position - Beginning, Restated	17,371,503	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
Plan Net Position - Ending (b)	18,630,231	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
Net Pension Liability - Ending (a)-(b)	<u>\$ 8,954,643</u>	<u>\$ 8,951,060</u>	<u>\$ 8,078,086</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>\$ 6,159,380</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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 8,609	\$ 6,405	\$ 5,882	\$ 3,928	\$ 6,281	\$ 5,286	\$ 4,282	\$ 4,488	\$ 5,492	\$ 3,245
Interest	12,971	12,428	11,928	12,276	9,424	10,211	10,341	9,867	9,066	10,238
Difference Between Expected and Actual Experience	17,375	671	8,100	3,893	4,992	(3,901)	7,420	(1,358)	(2,474)	4,737
Changes of Assumptions	(17,404)	8,951	6,085	22,932	(57,672)	18,400	19,033	(2,892)	(17,241)	46,155
Benefit Payments	(14,604)	(13,776)	(13,297)	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)
Refunds of Contributions	-	(97)	-	-	(1)	(8)	(100)	-	(11)	(45)
Net Change in Total Pension Liability	6,947	14,582	18,698	29,949	(49,514)	17,975	29,624	(480)	(15,264)	54,517
Total Pension Liability - Beginning	237,124	222,542	203,844	173,895	223,409	205,435	175,811	176,291	191,555	137,038
Total Pension Liability - Ending (a)	244,071	237,124	222,542	203,844	173,895	223,409	205,435	175,811	176,291	191,555
Plan Net Position:										
Contributions - Employer	7,603	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237
Contributions - Member	3,020	2,451	2,286	1,956	1,838	1,783	1,692	1,632	1,636	1,582
Net Investment Income	11,192	8,665	5,809	(4,096)	21,502	(1,252)	5,528	6,020	9,012	232
Benefit Payments	(14,604)	(13,776)	(13,297)	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)
Administrative Expenses	(169)	(97)	(89)	(88)	(71)	(82)	(79)	(75)	(69)	(64)
Refunds of Contributions	-	(97)	-	-	(1)	(8)	(100)	-	(11)	(45)
Other	-	-	-	63	-	-	10	-	-	72
Net Change in Plan Net Position	7,042	3,840	1,061	10,374	16,356	(6,889)	430	1,715	4,996	(3,799)
Plan Net Position - Beginning	116,503	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,932	88,989
Prior Period Adjustments	-	-	-	-	-	-	-	-	(312)	(257)
Plan Net Position - Beginning, Restated	116,503	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,620	88,732
Plan Net Position - Ending (b)	123,545	116,503	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,933
Net Pension Liability - Ending (a)-(b)	\$ 120,526	\$ 120,621	\$ 109,879	\$ 92,242	\$ 72,667	\$ 138,538	\$ 113,674	\$ 84,480	\$ 86,675	\$ 106,623

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 2,146	\$ 1,628	\$ 2,191	\$ 1,365	\$ 1,258	\$ 1,656	\$ 1,466	\$ 1,354	\$ 1,537	\$ 1,118
Interest	4,227	4,154	3,925	4,209	4,092	3,436	3,494	3,487	3,192	3,452
Difference Between Expected and Actual Experience	963	(1,077)	599	1,776	(95)	(1,286)	2,209	(237)	(1,539)	1,571
Changes of Assumptions	(9,669)	1,351	(4,002)	12,882	-	(18,414)	5,255	2,874	(8,114)	8,832
Benefit Payments	(5,251)	(5,030)	(4,689)	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,976)
Refunds of Contributions	(123)	(233)	(263)	-	(50)	-	(56)	(63)	-	(15)
Net Change in Total Pension Liability	(7,707)	793	(2,239)	15,911	911	(18,812)	8,342	3,464	(8,890)	10,982
Total Pension Liability - Beginning	73,994	73,201	75,440	59,529	58,618	77,434	69,092	65,628	74,518	63,536
Total Pension Liability - Ending (a)	66,287	73,994	73,201	75,440	59,529	58,618	77,434	69,092	65,628	74,518
Plan Net Position:										
Contributions - Employer	2,715	2,619	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280
Contributions - Member	887	824	751	673	652	650	640	580	603	587
Net Investment Income	3,316	2,554	1,775	(1,470)	7,463	(437)	1,938	2,156	3,290	70
Benefit Payments	(5,251)	(5,030)	(4,689)	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,977)
Administrative Expenses	(32)	(31)	(30)	(32)	(25)	(28)	(28)	(27)	(25)	(24)
Refunds of Contributions	(123)	(233)	(262)	-	(50)	-	(56)	(63)	-	(15)
Other	6	-	-	-	-	-	-	14	3	27
Net Change in Plan Net Position	1,518	703	83	(2,765)	6,094	(2,727)	(296)	(59)	1,187	(2,052)
Plan Net Position - Beginning	33,186	32,483	32,400	35,165	29,071	31,798	32,094	32,226	31,038	33,187
Prior Period Adjustments	-	-	-	-	-	-	-	(73)	-	(98)
Plan Net Position - Beginning, Restated	33,186	32,483	32,400	35,165	29,071	31,798	32,094	32,153	31,038	33,089
Plan Net Position - Ending (b)	34,704	33,186	32,483	32,400	35,165	29,071	31,798	32,094	32,226	31,038
Net Pension Liability - Ending (a)-(b)	\$ 31,583	\$ 40,808	\$ 40,718	\$ 24,364	\$ 24,364	\$ 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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 2,038	\$ 2,003	\$ 2,022	\$ 2,047	\$ 2,040	\$ 2,250	\$ 2,194	\$ 2,204	\$ 2,337	\$ 1,440
Interest	3,817	3,803	3,799	3,823	3,663	3,715	3,594	3,555	3,584	3,376
Difference Between Expected and Actual Experience	(2,189)	(3,296)	(2,821)	(3,306)	(1,725)	(2,143)	(1,573)	(2,504)	(4,101)	(498)
Changes of Assumptions	-	633	-	-	-	(1,853)	-	1,363	-	1,976
Benefit Payments	(2,991)	(2,949)	(2,910)	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(222)	(1,836)
Refunds of Contributions	-	-	-	-	-	-	-	-	(2,031)	-
Net Change in Total Pension Liability	675	194	90	(283)	1,221	(655)	1,758	2,299	(433)	4,458
Total Pension Liability - Beginning	53,127	52,933	52,843	53,126	51,905	52,560	50,802	48,503	48,936	44,478
Total Pension Liability - Ending (a)	53,802	53,127	52,933	52,843	53,126	51,905	52,560	50,802	48,503	48,936
Plan Net Position:										
Contributions - Employer	750	750	750	750	750	750	750	750	750	750
Net Investment Income	8,713	6,597	4,377	(3,579)	17,950	(1,057)	4,318	4,512	6,682	206
Benefit Payments	(2,991)	(2,949)	(2,910)	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(2,031)	(1,835)
Administrative Expenses	(86)	(81)	(76)	(77)	(60)	(67)	(63)	(58)	(52)	(47)
Other	1	1	1	-	-	-	1	1	1	51
Net Change in Plan Net Position	6,387	4,318	2,142	(5,753)	15,882	(3,000)	2,549	2,886	5,350	(875)
Plan Net Position - Beginning	85,425	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049	62,103
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	(179)
Plan Net Position - Beginning, Restated	85,425	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049	61,924
Plan Net Position - Ending (b)	91,812	85,425	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049
Net Pension Liability - Ending (a)-(b)	<u>\$ (38,010)</u>	<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>

**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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 579,601	\$ 514,612	\$ 456,425	\$ 431,266	\$ 916,076	\$ 388,501	\$ 523,132	\$ 494,876	\$ 357,631	\$ 356,874
Interest	1,807,285	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
Benefit Changes	-	-	-	-	-	-	(4,381,849)	-	-	-
Difference Between Expected and Actual Experience	341,069	889,215	242,880	(196,600)	685,735	177,584	(112,652)	(184,090)	(207,789)	42,492
Changes of Assumptions	-	(329,582)	-	-	(11,462,883)	11,316,076	-	659,788	4,371,800	-
Benefit Payments	(1,515,310)	(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)
Net Change in Total Pension Liability	1,212,645	1,340,126	973,666	523,422	(9,836,096)	12,163,093	(3,739,638)	1,238,809	4,893,553	754,282
Total Pension Liability - Beginning	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
Total Pension Liability - Ending (a)	27,498,851	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
Plan Net Position:										
Contributions - Employer	802,437	770,384	662,750	511,944	452,872	451,556	406,549	388,724	395,844	396,989
Contributions - Member	456,696	437,997	395,815	347,917	330,067	329,725	303,442	287,324	292,809	295,946
Net Investment Income	1,733,874	1,489,846	1,036,752	(336,188)	3,834,540	(75,980)	1,037,882	900,132	1,350,389	364,571
Benefit Payments	(1,515,310)	(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)
Administrative Expenses	(15,059)	(14,124)	(12,551)	(12,982)	(12,088)	(10,878)	(9,326)	(9,908)	(9,848)	(9,661)
Other	-	-	-	-	-	343	487	2,116	-	-
Net Change in Plan Net Position	1,462,638	1,236,416	711,092	(810,824)	3,342,327	(525,494)	574,390	460,947	976,519	35,115
Plan Net Position - Beginning	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
Prior Period Adjustments	(497)	-	-	-	-	-	-	-	-	-
Plan Net Position - Beginning, Restated	17,497,713	16,261,794	15,550,702	16,361,526	13,019,199	13,544,693	12,970,303	12,509,357	11,532,839	11,497,724
Plan Net Position - Ending (b)	18,960,351	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
Net Pension Liability - Ending (a)-(b)	<u>\$ 8,538,500</u>	<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>

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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 74,114	\$ 76,343	\$ 91,535	\$ 155,315	\$ 171,993	\$ 123,905	\$ 156,598	\$ 188,372
Interest	236,115	190,979	190,483	163,469	147,283	169,239	208,666	199,584
Benefit Changes	(43,365)	(13,122)	-	-	802	6,624	14,004	-
Difference Between Expected and Actual Experience	(178,597)	(30,798)	(179,638)	(36,122)	57,770	(150,535)	(754,197)	(145,524)
Changes of Assumptions	105,327	206,617	(430,050)	(1,125,436)	(894,202)	989,793	(535,457)	(225,363)
Claims and Premiums	(137,952)	(112,915)	(89,966)	(99,777)	(102,376)	(109,584)	(96,487)	(122,199)
Net Change in Total OPEB Liability	<u>55,642</u>	<u>317,104</u>	<u>(417,636)</u>	<u>(942,551)</u>	<u>(618,731)</u>	<u>1,029,442</u>	<u>(1,006,873)</u>	<u>(105,130)</u>
Total OPEB Liability - Beginning	<u>3,366,767</u>	<u>3,049,663</u>	<u>3,467,299</u>	<u>4,409,850</u>	<u>5,028,581</u>	<u>3,999,139</u>	<u>5,006,012</u>	<u>5,111,142</u>
Total OPEB Liability - Ending (a)	3,422,409	3,366,767	3,049,663	3,467,299	4,409,850	5,028,581	3,999,139	5,006,012
Plan Net Position:								
Contributions - Employer	135,613	238,504	231,793	231,293	96,585	96,504	88,516	85,402
Contributions - Member	236,681	127,361	114,542	101,585	225,347	226,384	216,528	210,650
Net Investment Income	170,948	115,267	71,822	(49,544)	217,737	10,837	41,663	49,758
Claims and Premiums	(356,345)	(328,749)	(335,094)	(323,816)	(315,956)	(316,936)	(296,417)	(321,480)
Administrative Expenses	(4,438)	(4,473)	(4,002)	(3,467)	(3,404)	(3,687)	(4,148)	(3,672)
Other	101,386	87,330	111,971	80,144	69,519	59,821	52,949	57,530
Net Change in Plan Net Position	<u>283,845</u>	<u>235,240</u>	<u>191,032</u>	<u>36,195</u>	<u>289,828</u>	<u>72,923</u>	<u>99,093</u>	<u>78,188</u>
Plan Net Position - Beginning	<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>756,750</u>	<u>657,657</u>	<u>579,469</u>
Plan Net Position - Ending (b)	<u>1,865,813</u>	<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>756,750</u>	<u>657,657</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 1,556,596</u>	<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>

* 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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 27,584,873	\$ 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
Plan Net Position	<u>18,630,231</u>	<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>
Net Pension Liability	<u>\$ 8,954,642</u>	<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>
Percentage of Plan Net Position to Total Pension Liability	67.54%	66.00%	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%
Covered Payroll	\$ 3,417,143	\$ 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
Net Pension Liability as a Percentage of Covered Payroll	262.05%	309.95%	318.40%	293.76%	211.39%	318.33%	283.33%	272.50%	240.18%	264.70%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 244,070	\$ 237,123	\$ 222,541	\$ 203,842	\$ 173,894	\$ 223,409	\$ 205,435	\$ 175,810	\$ 176,291	\$ 191,555
Plan Net Position	123,542	116,500	112,661	111,600	101,227	84,871	91,760	91,331	89,616	84,932
Net Pension Liability	<u>\$ 120,528</u>	<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>
Percentage of Plan Net Position to Total Pension Liability	50.62%	49.13%	50.62%	54.75%	58.21%	37.99%	44.67%	51.95%	50.83%	44.34%
Covered Payroll	\$ 28,766	\$ 22,364	\$ 21,443	\$ 17,681	\$ 16,985	\$ 16,090	\$ 16,292	\$ 15,126	\$ 15,493	\$ 15,612
Net Pension Liability as a Percentage of Covered Payroll	418.99%	539.36%	512.43%	521.70%	427.83%	861.00%	697.74%	558.50%	559.45%	682.95%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 66,287	\$ 73,994	\$ 73,201	\$ 75,440	\$ 59,529	\$ 58,618	\$ 77,431	\$ 69,090	\$ 65,628	\$ 74,519
Plan Net Position	34,702	33,184	32,481	32,399	35,165	29,071	31,798	32,093	32,225	31,038
Net Pension Liability	<u>\$ 31,585</u>	<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>
Percentage of Plan Net Position to Total Pension Liability	52.35%	44.85%	44.37%	42.95%	59.07%	49.59%	41.07%	46.45%	49.10%	41.65%
Covered Payroll	\$ 8,447	\$ 6,550	\$ 7,212	\$ 6,289	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243
Net Pension Liability as a Percentage of Covered Payroll	373.92%	623.05%	564.61%	684.39%	399.93%	490.39%	757.37%	656.17%	592.97%	829.29%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 53,802	\$ 53,126	\$ 52,932	\$ 52,842	\$ 53,126	\$ 51,905	\$ 52,561	\$ 50,802	\$ 48,503	\$ 48,936
Plan Net Position	91,812	85,426	81,108	78,966	84,718	68,837	71,836	69,287	66,401	61,050
Net Pension Liability	<u>\$ (38,010)</u>	<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>
Percentage of Plan Net Position to Total Pension Liability	170.65%	160.80%	153.23%	149.44%	159.47%	132.62%	136.67%	136.39%	136.90%	124.76%
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 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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 27,498,451	\$ 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
Plan Net Position	18,960,351	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
Net Pension Liability	<u>\$ 8,538,100</u>	<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>
Percentage of Plan Net Position to Total Pension Liability	68.95%	66.57%	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%
Covered Payroll	\$ 4,160,894	\$ 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
Net Pension Liability as a Percentage of Covered Payroll	205.20%	220.14%	238.19%	262.02%	231.77%	664.80%	270.84%	444.00%	407.33%	262.59%

**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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability	\$ 3,422,409	\$ 3,366,767	\$ 3,049,663	\$ 3,467,299	\$ 4,409,850	\$ 5,028,581	\$ 3,999,138	\$ 5,006,012
Plan Net Position	1,865,813	1,581,968	1,346,728	1,155,696	1,119,501	829,673	756,749	657,657
Net OPEB Liability	<u>\$ 1,556,596</u>	<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>
Percentage of Plan Net Position to Total OPEB Liability	54.52%	46.99%	44.16%	33.33%	25.39%	16.50%	18.92%	13.14%
Covered Payroll	\$ 6,246,365	\$ 5,609,137	\$ 4,952,013	\$ 4,745,116	\$ 4,614,244	\$ 4,298,116	\$ 4,172,929	\$ 4,290,617
Net OPEB Liability as a Percentage of Covered Payroll	24.92%	31.82%	34.39%	48.72%	71.31%	97.69%	77.70%	101.35%

* 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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 5,186	\$ 2,128	\$ 2,180	\$ 1,742	\$ 1,891	\$ 3,267	\$ 3,501	\$ 3,526
Interest	22,594	11,753	11,248	9,366	892	10,640	10,007	9,469
Differences Between Expected and Actual Experience	(14,977)	(26,284)	-	23,091	-	(38,575)	-	-
Changes of Assumptions	16,658	36,580	(3,057)	4,104	(6,534)	7,729	(7,105)	(6,444)
Benefit Payments	(13,321)	(5,372)	(5,415)	(5,444)	(5,296)	5,298	(4,913)	(4,841)
Net Change in Total OPEB Liability	16,140	18,805	4,956	32,859	(1,018)	(22,236)	1,490	1,710
Total OPEB Liability - Beginning	189,655	170,850	165,894	133,035	134,053	156,289	154,799	153,089
Total OPEB Liability- Ending (a)	205,795	189,655	170,850	165,894	133,035	134,053	156,289	154,799
Plan Fiduciary Net Position:								
Contributions - Employer	17,151	7,302	7,383	7,490	7,460	7,513	7,322	7,467
Contributions - Member	3,830	1,930	1,967	2,047	2,164	2,215	2,408	2,625
Net investment Income	18,136	5,364	(10,734)	11,408	1,854	2,111	2,080	1,615
Benefit Payments	(13,321)	(5,372)	(5,415)	(5,444)	(5,296)	(5,298)	(4,913)	(4,841)
Administrative Expense	5	(7)	(6)	(9)	(3)	(5)	(5)	-
Net Change in Plan Fiduciary Net Position	25,801	9,217	(6,805)	15,492	6,179	6,536	6,892	6,866
Plan Fiduciary Net Position - Beginning	61,424	52,207	59,012	43,520	37,341	30,805	23,913	17,045
Plan Fiduciary Net Position- Ending (b)	87,225	61,424	52,207	59,012	43,520	37,341	30,805	23,913
University's Net OPEB Liability - Ending (a)-(b)	\$ 118,570	\$ 118,643	\$ 118,643	\$ 106,882	\$ 89,515	\$ 96,712	\$ 125,484	\$ 130,886
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	42.38%	32.39%	30.56%	35.57%	32.71%	27.86%	19.71%	15.45%
Covered-Employee Payroll	\$ 259,428	\$ 257,325	\$ 262,303	\$ 272,863	\$ 288,544	\$ 295,345	\$ 321,166	\$ 350,452
University's net OPEB Liability as a Percentage of Covered-Employee Payroll	45.70%	46.11%	45.23%	39.17%	31.02%	32.75%	39.07%	37.35%

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,						
	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability:							
Service Cost	\$ 3,851	\$ 4,104	\$ 3,955	\$ 6,726	\$ 6,497	\$ 5,787	\$ 5,127
Interest	5,527	4,827	4,627	3,802	3,745	5,208	5,268
Current Recognized Deferred Outflows/(Inflows):							
Difference Between Expected and Actual Experience	-	(5,184)	-	(20,103)	-	(13,724)	-
Changes in Assumptions or Other Inputs	(20,070)	10,288	(1,882)	(27,754)	1,340	28,160	7,135
Benefit Payments	(5,773)	(5,031)	(5,561)	(4,845)	(5,718)	(5,274)	(5,758)
Net Change in Total OPEB Liability	(16,465)	9,004	1,139	(42,174)	5,864	20,157	11,772
Total OPEB Liability - Beginning	139,662	130,658	129,519	171,693	165,829	145,672	133,899
Total OPEB Liability - Ending	<u>\$ 123,197</u>	<u>\$ 139,662</u>	<u>\$ 130,658</u>	<u>\$ 129,519</u>	<u>\$ 171,693</u>	<u>\$ 165,829</u>	<u>\$ 145,672</u>
Covered-Employee Payroll	\$ 114,008	\$ 111,227	\$ 119,786	\$ 116,865	\$ 135,947	\$ 131,987	\$ 153,961
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	108%	126%	109%	111%	126%	126%	95%

* 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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 3,272	\$ 3,561	\$ 5,036	\$ 2,993	\$ 2,182	\$ 1,999	\$ 2,317	\$ 2,697
Interest Cost	2,017	2,013	1,488	1,377	1,388	1,518	1,377	1,225
Differences Between Expected and Actual Experience	-	(6,434)	-	12,357	-	(5,898)	-	-
Changes of Assumptions	(2,595)	1,032	(15,164)	7,720	6,895	2,050	(1,486)	(3,354)
Benefit Payments	(1,649)	(1,615)	(1,545)	(1,477)	(1,273)	(61)	(649)	(1,490)
Net Change in Total OPEB Liability	1,045	(1,443)	(10,185)	22,970	9,192	(392)	1,559	(922)
Total OPEB Liability- Beginning	52,665	54,108	64,293	41,323	32,131	32,523	30,964	31,886
Total OPEB Liability- Ending (a)	53,710	52,665	54,108	64,293	41,323	32,131	32,523	30,964
Plan Fiduciary Net Position:								
Contributions - Employer	819	755	803	689	705	2,239	3,997	4,998
Contributions - Member	829	813	780	735	650	1,632	3,386	3,706
Net Investment Income	344	117	(294)	715	85	149	173	208
Benefit Payments	(1,649)	(1,615)	(1,544)	(1,477)	(1,273)	(61)	(649)	(1,490)
Administrative Expense	(161)	(149)	(126)	(97)	(88)	(306)	(359)	(378)
Other	195	224	(280)	147	6	(3,714)	(5,899)	(6,132)
Net Change in Plan Fiduciary Net Position	377	145	(661)	712	85	(61)	649	912
Plan Fiduciary Net Position - Beginning	4,524	4,379	5,040	4,328	4,243	4,304	3,655	2,743
Plan Fiduciary Net Position - Ending (b)	4,901	4,524	4,379	5,040	4,328	4,243	4,304	3,655
University's Net OPEB Liability - Ending (a)-(b)	<u>\$ 48,809</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.1%	8.6%	8.1%	7.8%	10.5%	13.2%	13.2%	11.8%
Covered-Employee Payroll	\$ 57,587	\$ 56,944	\$ 50,301	\$ 48,653	\$ 30,619	\$ 29,916	\$ 28,337	\$ 28,142
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	85%	85%	99%	122%	121%	93%	100%	97%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory Required Contributions	\$ 767,435	\$ 657,561	\$ 599,244	\$ 531,398	\$ 379,185	\$ 368,425	\$ 339,676	\$ 319,499	\$ 332,473	\$ 324,752
Actual Employer Contributions	583,060	521,674	454,462	395,408	379,185	368,425	339,676	319,499	332,473	324,752
Annual Contribution Deficiency	<u>\$ 184,375</u>	<u>\$ 135,887</u>	<u>\$ 144,782</u>	<u>\$ 135,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,339,923	\$ 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
Annual Contribution as a Percentage of Covered Payroll	24.92%	18.06%	17.91%	16.07%	15.28%	15.75%	14.85%	14.11%	15.15%	13.96%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory Required Contributions	\$ 9,455	\$ 7,463	\$ 7,186	\$ 7,205	\$ 5,858	\$ 6,045	\$ 5,881	\$ 4,908	\$ 4,975	\$ 4,816
Actual Employer Contributions	7,603	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237
Annual Contribution Deficiency (Excess)	<u>\$ 1,852</u>	<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>
Covered Payroll	\$ 28,766	\$ 22,364	\$ 21,443	\$ 17,681	\$ 16,985	\$ 16,090	\$ 16,292	\$ 15,126	\$ 15,493	\$ 15,612
Annual Contribution as a Percentage of Covered Payroll	26.43%	29.93%	29.62%	144.90%	33.12%	29.11%	29.04%	31.22%	29.20%	27.14%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory Required Contributions	\$ 2,907	\$ 2,530	\$ 2,724	\$ 2,396	\$ 2,306	\$ 1,923	\$ 1,862	\$ 1,588	\$ 1,576	\$ 1,463
Actual Employer Contributions	2,715	2,619	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280
Annual Contribution Deficiency (Excess)	<u>\$ 192</u>	<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>
Covered Payroll	\$ 8,447	\$ 6,550	\$ 7,212	\$ 6,289	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243
Annual Contribution as a Percentage of Covered Payroll	32.13%	39.97%	35.18%	37.91%	38.53%	21.45%	20.52%	21.85%	22.76%	24.42%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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 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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory Required Contributions	\$ 708,070	\$ 732,010	\$ 690,316	\$ 627,461	\$ 656,732	\$ 586,452	\$ 587,331	\$ 546,593	\$ 477,840	\$ 465,341
Actual Employer Contributions	802,437	770,384	662,750	511,944	452,872	451,556	406,549	388,724	395,844	396,989
Annual Contribution Deficiency (Excess)	<u>\$ (94,367)</u>	<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>
Covered Payroll	\$ 4,160,894	\$ 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
Annual Contribution as a Percentage of Covered Payroll	19.29%	19.30%	18.18%	15.93%	14.81%	14.81%	14.53%	14.51%	14.51%	14.49%

**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	2023	2022	2021	2020	2019	2018
Statutory Required Contributions	\$ 135,613	\$ 127,361	\$ 114,542	\$ 101,585	\$ 96,585	\$ 96,504	\$ 88,516	\$ 85,402
Actual Employer Contributions	135,613	127,361	114,542	101,585	96,585	96,504	88,516	85,402
Annual Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,246,365	\$ 5,609,137	\$ 4,952,013	\$ 4,745,116	\$ 4,614,244	\$ 4,298,116	\$ 4,172,929	\$ 4,290,617
Annual Contribution as a Percentage of Covered Payroll	2.17%	2.27%	2.31%	2.14%	2.09%	2.25%	2.12%	1.99%

* 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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 9,817	\$ 7,333	\$ 7,302	\$ 7,383	\$ 7,490	\$ 7,459	\$ 7,513	\$ 7,322
Contributions in Relation to the Actuarially Determined Contribution	9,817	7,333	7,302	7,383	7,490	7,459	7,513	7,322
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 251,220	\$ 259,428	\$ 257,325	\$ 262,303	\$ 272,863	\$ 288,544	\$ 295,345	\$ 321,166
Contributions as a Percentage of Payroll	3.91%	2.83%	2.84%	2.81%	2.74%	2.59%	2.54%	2.28%

Notes to Schedule:

Valuation Date 1-Jan-25

Methods and Assumptions used to Determine

Contribution Rates:	
Actuarial Cost Method	Entry age normal – level % of salary
Asset Valuation Method	Market value of assets
Healthcare Cost Trend Rates	Medical Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years Medical Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years Dental: 4.0%
Salary Increases	2.0%
Investment Rate of Return	6.0%, net of OPEB plan investment expense, including inflation
Retirement Age	63
Mortality	PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 854	\$ 819	\$ 755	\$ 803	\$ 689	\$ 705	\$ 2,239	\$ 3,997
Contributions in Relation to the Actuarially Determined Contribution	854	819	755	803	689	705	2,239	3,997
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 57,587	\$ 56,944	\$ 50,301	\$ 48,653	\$ 31,793	\$ 30,619	\$ 14,433	\$ 28,337
Contributions as a Percentage of Payroll	1.5%	1.4%	1.5%	1.7%	2.2%	2.3%	15.5%	14.1%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expenses	9.49%	8.04%	3.62%	-3.11%	25.36%	-2.70%	5.60%	6.50%	10.60%	0.70%

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expenses	9.88%	8.64%	5.62%	1.00%	28.76%	-0.97%	7.29%	8.38%	11.91%	2.68%

**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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Annual Money-Weighted Rate of Return, Net of Investment Expenses	10.58%	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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Annual Money-Weighted Rate of Return, Net of Investment Expense	14.60%	11.32%	9.83%	-17.43%	26.04%	4.55%	6.18%	6.77%

*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,							
	2025	2024	2023	2022	2021	2020	2019	2018
Annual Money-Weighted Rate of Return, Net of Investment Expense	16.13%	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, 2025
(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%-11.50%, except for Legislative division which is N/A	3.25 %	3.25 %	N/A	2.30% Inflation, Plus .70% Prod, Inc.
Includes Inflation At Mortality Assumption	2.50% PUB-2010 Mortality Table	2.50% PUB-2010 Mortality Table	2.50% PUB-2010 Mortality Table	2.50% PUB-2010 Mortality Table	2.30 % 2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25%	6.22%	7.25%	7.25%	7.00%
Municipal Bond Rate	-	5.20%	-	-	-

Notes to Schedule:

All percentages are stated at an annual rate.

**STATE OF NEW MEXICO
 SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS
 NEW MEXICO RETIREE HEALTH CARE AUTHORITY
 YEAR ENDED JUNE 30, 2025
 (IN THOUSANDS)**

Valuation Date	June 30, 2024
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, 2024	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
State Proportion of the Net Pension Liability	56.11%	50.70%	53.83%	57.10%	51.17%	51.29%	52.74%	52.52%	51.25%	52.70%
State Proportionate Share of the Net Pension Liability	\$ 4,532,648	\$ 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
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
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	296.81%	308.80%	337.72%	263.87%	342.88%	324.62%	329.55%	268.51%	264.71%	189.39%
Plan Fiduciary Net Position as a Percentage of the 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 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, 2024	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	
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%	100.00%
State Proportionate Share of the Net Pension Liability	\$ 120,623	\$ 109,880	\$ 92,243	\$ 72,669	\$ 138,539	\$ 113,675	\$ 84,479	\$ 86,675	\$ 106,623	\$ 48,050	
State Covered Payroll **	\$ 28,766	\$ 22,364	\$ 21,443	\$ 17,681	\$ 16,985	\$ 16,090	\$ 15,126	\$ 15,493	\$ 15,612	\$ 15,084	
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	419.32%	491.33%	430.18%	411.00%	815.65%	706.49%	558.50%	559.45%	682.95%	318.54%	
Plan Fiduciary Net Position as a Percentage of the 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 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, 2024	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	
State Proportion of the Net Pension Liability	0.00%	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	\$ 40,809	\$ 40,719	\$ 43,041	\$ 24,365	\$ 29,547	\$ 45,634	\$ 36,998	\$ 33,403	\$ 43,481	\$ 30,349	
State Covered Payroll **	\$ 8,447	\$ 6,550	\$ 7,212	\$ 6,290	\$ 6,092	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243	\$ 5,066	
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	483.12%	621.66%	596.80%	387.36%	485.01%	757.41%	656.23%	592.99%	829.29%	599.07%	
Plan Fiduciary Net Position as a Percentage of the 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 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, 2024	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
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	\$ (32,300)	\$ (28,176)	\$ (26,125)	\$ (31,593)	\$ (16,932)	\$ (19,276)	\$ (18,485)	\$ (17,898)		\$ (17,625)
State Covered Payroll **	*	*	*	*	*	*	*	*	*	*
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* 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, 2024	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
State Proportion of the Net Pension Liability	0.23%	0.23%	0.26%	0.26%	0.27%	0.29%	0.29%	0.27%	0.30%	0.34%
State Proportionate Share of the Net Pension Liability	\$ 19,972	\$ 20,171	\$ 22,714	\$ 18,663	\$ 54,568	\$ 22,005	\$ 34,028	\$ 30,486	\$ 21,580	\$ 22,015
State Covered Payroll *	\$ 12,634	\$ 11,485	\$ 10,284	\$ 8,924	\$ 8,438	\$ 8,601	\$ 8,489	\$ 8,000	\$ 8,561	\$ 9,662
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.09%	175.63%	220.87%	209.13%	646.68%	255.85%	400.85%	381.08%	252.07%	227.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.95%	66.57%	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%

* 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, 2024	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
State Proportion of the Net Pension Liability	25.37%	25.63%	26.29%	26.98%	26.80%	27.87%	28.73%	28.80%	28.65%	28.85%
State Proportionate Share of the Net Pension Liability	\$ 2,267,138	\$ 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
State Covered Payroll *	\$ 1,406,812	\$ 1,316,759	\$ 1,110,066	\$ 892,224	\$ 855,428	\$ 856,014	\$ 814,496	\$ 802,777	\$ 818,187	\$ 819,993
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	161.15%	169.00%	199.49%	214.35%	634.92%	246.70%	419.44%	398.68%	251.42%	#REF!
Plan Fiduciary Net Position as a Percentage of the 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 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, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State Proportion of the Net OPEB Liability	22.98%	23.80%	23.88%	24.12%	24.03%	24.22%	24.13%
State Proportionate Share of the Net OPEB Liability	\$ 429,939	\$ 405,285	\$ 552,044	\$ 793,748	\$ 1,008,906	\$ 785,609	\$ 1,049,291
State Covered Payroll **	\$ 1,708,500	\$ 1,362,500	\$ 1,258,400	\$ 1,190,400	\$ 1,149,050	\$ 1,035,350	\$ 1,030,100
State Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.16%	29.75%	43.87%	66.68%	87.80%	75.88%	101.86%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.99%	44.16%	33.33%	25.39%	16.50%	18.92%	13.14%

* 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, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State Proportion of the Net OPEB Liability	2.58%	2.63%	2.75%	2.75%	2.67%	2.73%	2.86%
State Proportionate Share of the Net OPEB Liability	\$ 46,126	\$ 44,823	\$ 63,643	\$ 90,524	\$ 112,118	\$ 88,554	\$ 124,460
State Covered Payroll **	\$ 178,100	\$ 153,000	\$ 137,600	\$ 129,350	\$ 127,700	\$ 122,700	\$ 128,727
State Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.90%	29.30%	46.25%	69.98%	87.80%	72.17%	96.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.99%	44.16%	33.33%	16.50%	16.50%	18.92%	13.14%

* 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)**

PERA - State-Funded Divisions	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 321,188	\$ 290,027	\$ 251,754	\$ 221,400	\$ 209,237	\$ 200,231	\$ 181,674	\$ 174,957	\$ 184,801	\$ 171,144
Contributions in Relation to Contractually Required Contributions	321,188	290,027	251,754	221,400	209,237	200,231	181,674	174,957	184,801	171,144
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Covered Payroll **	\$ 1,687,978	\$ 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
Contributions as a Percentage of Covered Payroll	19.03%	18.99%	18.98%	19.22%	18.43%	18.01%	17.74%	17.71%	17.93%	14.35%

** 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)**

PERA - Judicial Fund	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 9,455	\$ 7,463	\$ 7,186	\$ 7,205	\$ 5,858	\$ 6,045	\$ 5,881	\$ 4,908	\$ 4,975	\$ 4,816
Contributions in Relation to Contractually Required Contributions	7,603	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237
Contribution Deficiency (Excess)	<u>\$ 1,852</u>	<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>
State Covered Payroll **	\$ 28,766	\$ 22,364	\$ 21,443	\$ 17,681	\$ 16,985	\$ 16,090	\$ 16,292	\$ 15,126	\$ 15,493	\$ 15,612
Contributions as a Percentage of Covered Payroll	26.44%	29.94%	29.63%	144.91%	33.13%	29.11%	29.04%	31.23%	29.20%	27.14%

** 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)

PERA - Magistrate Fund	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 2,907	\$ 2,530	\$ 2,724	\$ 2,396	\$ 2,306	\$ 1,923	\$ 1,862	\$ 1,588	\$ 1,576	\$ 1,463
Contributions in Relation to Contractually Required Contributions	2,715	2,619	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280
Contribution Deficiency (Excess)	<u>\$ 192</u>	<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>
State Covered Payroll **	\$ 8,447	\$ 6,550	\$ 7,212	\$ 6,290	\$ 6,092	\$ 6,025	\$ 6,025	\$ 5,638	\$ 5,633	\$ 5,243
Contributions as a Percentage of Covered Payroll	32.14%	39.98%	35.19%	37.92%	38.54%	21.45%	20.51%	21.85%	22.76%	24.42%

** 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)

PERA - Volunteer Firefighters Fund	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,914	\$ 1,740	\$ 1,558	\$ 1,352	\$ 1,194	\$ 1,217	\$ 1,180	\$ 1,112	\$ 1,190	\$ 1,343
Contributions in Relation to Contractually Required Contributions	1,914	1,740	1,558	1,352	1,194	1,217	1,180	1,112	1,190	1,343
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Covered Payroll **	\$ 12,634	\$ 11,485	\$ 10,284	\$ 8,924	\$ 8,438	\$ 8,601	\$ 8,489	\$ 8,000	\$ 8,561	\$ 9,662
Contributions as a Percentage of Covered Payroll	15.15%	15.15%	15.15%	15.15%	14.15%	14.15%	13.90%	13.90%	13.90%	13.90%

** 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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 213,132	\$ 199,489	\$ 168,175	\$ 135,172	\$ 121,043	\$ 121,126	\$ 113,215	\$ 111,586	\$ 113,728	\$ 113,979
Contributions in Relation to Contractually Required Contributions	213,132	199,489	168,175	135,172	121,043	121,126	113,215	111,586	113,728	113,979
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Educational Institutions' Covered Payroll **	\$ 1,406,812	\$ 1,316,759	\$ 1,110,066	\$ 892,224	\$ 855,428	\$ 856,014	\$ 814,496	\$ 802,777	\$ 818,187	\$ 819,993
Contributions as a Percentage of Covered Payroll	15.15%	15.15%	15.15%	15.15%	14.15%	14.15%	13.90%	13.90%	13.90%	13.90%

** 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,						
	2025	2024	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 34,170	\$ 30,727	\$ 27,250	\$ 25,168	\$ 23,808	\$ 22,981	\$ 20,707
Contributions in Relation to Contractually Required Contributions	34,170	30,727	27,250	25,168	23,808	22,981	20,707
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State Covered Payroll **	\$ 1,708,500	\$ 1,536,350	\$ 1,362,500	\$ 1,258,400	\$ 1,190,400	\$ 1,149,050	\$ 1,035,350
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,						
	2025	2024	2023	2022	2021	2020	2019
Contractually Required Contribution	\$ 3,562	\$ 3,276	\$ 3,060	\$ 2,752	\$ 2,587	\$ 2,554	\$ 2,454
Contributions in Relation to Contractually Required Contributions	3,562	3,276	3,060	2,752	2,587	2,554	2,454
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State Covered Payroll **	\$ 178,100	\$ 163,800	\$ 153,000	\$ 137,600	\$ 129,350	\$ 127,700	\$ 122,700
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, 2025
(IN THOUSANDS)**

ASSETS	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ 17,698	\$ -	\$ -	\$ 17,698
Investment in the State General Fund Investment Pool	719,828	6,203,560	188	6,923,576
Due from Other Funds	336,386	8,903	-	345,289
Due from Component Units	-	107	-	107
Receivables, Net	26,666	34,217	4	60,887
Investments	-	-	12,095	12,095
Total Assets	<u>\$ 1,100,578</u>	<u>\$ 6,246,787</u>	<u>\$ 12,287</u>	<u>\$ 7,359,652</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 623	\$ 170,043	\$ -	\$ 170,666
Accrued Liabilities	-	127	-	127
Due to Other Funds	229	65,008	-	65,237
Due to Educational Institutions Fund	-	-	-	-
Due to Component Units	-	-	-	-
Intergovernmental Payables	-	105,514	-	105,514
Funds Held For Others	-	321	-	321
Other Obligations	1	4,238	-	4,239
Unearned Revenue	-	43,920	-	43,920
Total Liabilities	<u>853</u>	<u>389,171</u>	<u>-</u>	<u>390,024</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	-	39	-	39
Unavailable Revenues	-	1	-	1
Total Deferred Inflows of Resources	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</u>
FUND BALANCES				
Nonspendable	-	-	2,000	2,000
Restricted	1,100,468	5,897,657	7,786	7,005,911
Committed	-	20	2,500	2,520
Unassigned (Deficit)	(743)	(40,101)	1	(40,843)
Total Fund Balances	<u>1,099,725</u>	<u>5,857,576</u>	<u>12,287</u>	<u>6,969,588</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,100,578</u>	<u>\$ 6,246,787</u>	<u>\$ 12,287</u>	<u>\$ 7,359,652</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental Funds
REVENUES				
Taxes:				
General and Selective Taxes	\$ 2,233,408	\$ 7,636	\$ -	\$ 2,241,044
Total Taxes	2,233,408	7,636	-	2,241,044
Other Revenues:				
Federal Revenue	-	110,546	-	110,546
Investment Income	200,004	1,396	1,260	202,660
Rentals and Royalties	-	22	-	22
Charges for Services	-	278	-	278
Licenses, Fees, and Permits	2,334	-	88	2,422
Assessments	-	11	-	11
Miscellaneous and Other	-	10,451	-	10,451
Total Revenues	2,435,746	130,340	1,348	2,567,434
EXPENDITURES				
Current:				
Culture, Recreation, and Natural Resources	-	98,014	-	98,014
Education	-	371,432	-	371,432
General Control	1,036	336,742	-	337,778
Health and Human Services	-	179,976	-	179,976
Highway and Transportation	709	375,714	-	376,423
Judicial	-	17,995	-	17,995
Public Safety	-	7,144	-	7,144
Regulation and Licensing	-	24,002	-	24,002
Capital Outlay	-	387,425	-	387,425
Debt Service:				
Principal	271,900	-	-	271,900
Interest and Other Charges	75,590	-	-	75,590
Total Expenditures	349,235	1,798,444	-	2,147,679
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES	2,086,511	(1,668,104)	1,348	419,755
OTHER FINANCING SOURCES (USES)				
Bonds Issued	124,308	446,060	-	570,368
Bond Premium	-	30,814	-	30,814
Payment to Refunding Bond Escrow Agent	(123,455)	-	-	(123,455)
Transfers In	226,546	2,306,331	-	2,532,877
Transfers Out	(2,254,105)	(262,991)	-	(2,517,096)
Total Other Financing Sources (Uses)	(2,026,706)	2,520,214	-	493,508
NET CHANGE IN FUND BALANCES	59,805	852,110	1,348	913,263
Fund Balance - Beginning	1,039,920	4,999,553	10,939	6,050,412
Restatement (See Note 9)	-	5,913	-	5,913
Fund Balance - Beginning, as Restated	1,039,920	5,005,466	10,939	6,056,325
FUND BALANCES - ENDING	\$ 1,099,725	\$ 5,857,576	\$ 12,287	\$ 6,969,588

**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, 2025
(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 14,896	\$ -
Investment in the State General Fund						
Investment Pool	251	3,826	233,638	1,650	690	15,045
Investment in the Local Government						
Investment Pool	-	-	-	-	87,997	-
Prepaid Expenses and Other Assets	-	-	-	55	256	-
Receivables, Net	953	1,932	16,639	179	52,007	786
Investments	-	-	-	-	-	-
Inventories	-	555	-	22	-	-
Total Current Assets	<u>1,204</u>	<u>6,313</u>	<u>250,277</u>	<u>1,906</u>	<u>155,846</u>	<u>15,831</u>
Noncurrent Assets:						
Long Term Receivables	-	-	210,869	-	-	8,151
Investments	-	-	-	-	29,864	-
Nondepreciable Capital Assets	-	-	-	-	384	-
Capital Assets, Net	<u>3</u>	<u>1,322</u>	<u>-</u>	<u>81</u>	<u>4</u>	<u>-</u>
Total Noncurrent Assets	<u>3</u>	<u>1,322</u>	<u>210,869</u>	<u>81</u>	<u>30,252</u>	<u>8,151</u>
Total Assets	1,207	7,635	461,146	1,987	186,098	23,982
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - OPEB	8	91	-	60	77	-
Deferred Outflows - Pension	48	544	-	342	446	-
Total Deferred Outflows	<u>56</u>	<u>635</u>	<u>-</u>	<u>402</u>	<u>523</u>	<u>-</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 425,293	\$ 194	\$ 1,569	\$ -	\$ -	\$ 441,952
Investment in the State General Fund						
Investment Pool	-	7,040	446	748	994	264,328
Investment in the Local Government						
Investment Pool	-	-	-	-	10,517	98,514
Prepaid Expenses and Other Assets	-	-	-	-	(1)	310
Receivables, Net	125,137	9,525	2,361	-	149	209,668
Investments	-	(1)	-	-	-	(1)
Inventories	-	627	-	-	-	1,204
Total Current Assets	<u>550,430</u>	<u>17,385</u>	<u>4,376</u>	<u>748</u>	<u>11,659</u>	<u>1,015,975</u>
Noncurrent Assets:						
Long Term Receivables	-	-	56,665	-	-	275,685
Investments	-	1,009	-	-	-	30,873
Nondepreciable Capital Assets	-	16	900	-	-	1,300
Capital Assets, Net	<u>-</u>	<u>17,865</u>	<u>40,045</u>	<u>27</u>	<u>121</u>	<u>59,468</u>
Total Noncurrent Assets	<u>-</u>	<u>18,890</u>	<u>97,610</u>	<u>27</u>	<u>121</u>	<u>367,326</u>
Total Assets	550,430	36,275	101,986	775	11,780	1,383,301
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - OPEB	-	1,111	183	-	28	1,558
Deferred Outflows - Pension	-	6,357	1,059	-	165	8,961
Total Deferred Outflows	<u>-</u>	<u>7,468</u>	<u>1,242</u>	<u>-</u>	<u>193</u>	<u>10,519</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
LIABILITIES						
Current Liabilities:						
Deficiency in SGFIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	939	667	-	161	306	-
Accrued Liabilities	4	37	-	25	39	-
Unearned Revenue	-	-	-	770	122	-
Due to Other Funds	-	-	-	-	1	-
Due to Higher Education	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	(1)	-
Other Liabilities	-	-	-	535	2,038	-
Bonds Payable - Current Portion	-	-	-	-	-	-
Other Long-Term Liabilities - Current Portion	2	83	-	63	49,887	-
Total Current Liabilities	<u>945</u>	<u>787</u>	<u>-</u>	<u>1,554</u>	<u>52,392</u>	<u>-</u>
Noncurrent Liabilities:						
Bonds Payable	-	-	-	-	-	-
Net Pension Liability	284	3,197	-	2,008	2,624	-
Net OPEB Liability	27	295	-	194	250	-
Other Long-Term Liabilities	2	36	-	28	113,506	-
Total Noncurrent Liabilities	<u>313</u>	<u>3,528</u>	<u>-</u>	<u>2,230</u>	<u>116,380</u>	<u>-</u>
Total Liabilities	1,258	4,315	-	3,784	168,772	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	2	24	-	19	24	-
Deferred Inflows - OPEB	21	225	-	146	190	-
Deferred Inflows - Lease	-	954	-	-	-	-
Total Deferred Inflows	<u>23</u>	<u>1,203</u>	<u>-</u>	<u>165</u>	<u>214</u>	<u>-</u>
NET POSITION						
Net Investment in Capital Assets	-	1,322	-	79	386	-
Restricted for:						
Loans	-	-	461,146	-	-	23,981
Unemployment and Insurance	-	-	-	-	-	-
Other Purposes	261	4,537	-	-	29,031	-
Unrestricted (Deficit)	(279)	(3,107)	-	(1,639)	(11,782)	1
Total Net Position	<u>\$ (18)</u>	<u>\$ 2,752</u>	<u>\$ 461,146</u>	<u>\$ (1,560)</u>	<u>\$ 17,635</u>	<u>\$ 23,982</u>

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STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
LIABILITIES						
Current Liabilities:						
Deficiency in SGFIP	\$ 7,087	\$ -	\$ -	\$ -	\$ -	\$ 7,087
Accounts Payable	1,347	1,849	390	8	464	6,131
Accrued Liabilities	7,934	518	81	-	12	8,650
Unearned Revenue	35,571	-	1,497	-	-	37,960
Due to Other Funds	-	-	20	-	-	21
Due to Higher Education	-	-	-	-	-	-
Funds Held for Others	202	8	96	-	-	305
Other Liabilities	1	32	1	-	-	2,607
Bonds Payable - Current Portion	-	1	1	-	-	2
Other Long-Term Liabilities - Current Portion	-	1,767	405	-	90	52,297
Total Current Liabilities	<u>52,142</u>	<u>4,175</u>	<u>2,491</u>	<u>8</u>	<u>566</u>	<u>115,060</u>
Noncurrent Liabilities:						
Bonds Payable	-	-	-	-	-	-
Net Pension Liability	-	37,407	6,229	-	979	52,728
Net OPEB Liability	-	3,610	595	-	94	5,065
Other Long-Term Liabilities	-	1,719	174	-	112	115,577
Total Noncurrent Liabilities	<u>-</u>	<u>42,736</u>	<u>6,998</u>	<u>-</u>	<u>1,185</u>	<u>173,370</u>
Total Liabilities	<u>52,142</u>	<u>46,911</u>	<u>9,489</u>	<u>8</u>	<u>1,751</u>	<u>288,430</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	-	335	56	-	9	469
Deferred Inflows - OPEB	-	2,742	452	-	71	3,847
Deferred Inflows - Lease	-	-	58,977	-	-	59,931
Total Deferred Inflows	<u>-</u>	<u>3,077</u>	<u>59,485</u>	<u>-</u>	<u>80</u>	<u>64,247</u>
NET POSITION						
Net Investment in Capital Assets	-	16,650	40,945	26	(15)	59,393
Restricted for:						
Loans	-	-	-	-	-	485,127
Unemployment and Insurance	498,297	-	-	-	-	498,297
Other Purposes	-	1,008	458	-	11,116	46,411
Unrestricted (Deficit)	(9)	(23,903)	(7,149)	741	(959)	(48,085)
Total Net Position	<u>\$ 498,288</u>	<u>\$ (6,245)</u>	<u>\$ 34,254</u>	<u>\$ 767</u>	<u>\$ 10,142</u>	<u>\$ 1,041,143</u>

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STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
OPERATING REVENUES						
Charges for Services	\$ 10,134	\$ 4,614	\$ -	\$ 4,747	\$ 538,701	\$ -
Unemployment Insurance	-	-	-	-	-	-
Federal Revenue	-	-	-	-	-	-
Loan and Other Income	-	-	650	-	-	89
Other Operating Revenues	-	11	-	500	238	-
Total Operating Revenues	<u>10,134</u>	<u>4,625</u>	<u>650</u>	<u>5,247</u>	<u>538,939</u>	<u>89</u>
OPERATING EXPENSES						
Benefits, Claims, and Premiums	-	-	-	-	14,965	-
General and Administrative Expenses	131	1,727	5,740	5,393	593,514	-
Depreciation Expense	2	116	-	4	5	-
Other Operating Expenses	10,012	575	-	20	-	-
Total Operating Expenses	<u>10,145</u>	<u>2,418</u>	<u>5,740</u>	<u>5,417</u>	<u>608,484</u>	<u>-</u>
OPERATING INCOME (LOSS)	(11)	2,207	(5,090)	(170)	(69,545)	89
NONOPERATING REVENUES (EXPENSES)						
Interest and Investment Income	-	115	8,824	-	6,835	572
Interest Expense	-	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	4	-	-	-	-	-
Government Grants and Contracts	-	-	11,465	496	-	-
Other Revenue (Expenses)	46	-	434	-	-	-
Total Nonoperating Revenues (Expenses)	<u>50</u>	<u>115</u>	<u>20,723</u>	<u>496</u>	<u>6,835</u>	<u>572</u>
INCOME (LOSS) BEFORE TRANSFERS	39	2,322	15,633	326	(62,710)	661
TRANSFERS						
Transfers In	-	-	5,000	-	93,863	-
Transfers Out	-	-	(1,531)	-	(1)	-
Total Transfers	<u>-</u>	<u>-</u>	<u>3,469</u>	<u>-</u>	<u>93,862</u>	<u>-</u>
CHANGE IN NET POSITION	39	2,322	19,102	326	31,152	661
Net Position - Beginning, As Originally Reported	(57)	65	442,044	(1,849)	(13,460)	23,321
Restatement (See Note 9)	-	365	-	(37)	(57)	-
Net Position - Beginning, as Restated	<u>(57)</u>	<u>430</u>	<u>442,044</u>	<u>(1,886)</u>	<u>(13,517)</u>	<u>23,321</u>
NET POSITION - ENDING	<u>\$ (18)</u>	<u>\$ 2,752</u>	<u>\$ 461,146</u>	<u>\$ (1,560)</u>	<u>\$ 17,635</u>	<u>\$ 23,982</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
OPERATING REVENUES						
Charges for Services	\$ 432	\$ 31,077	\$ 15,403	\$ 34	\$ 2,662	\$ 607,804
Unemployment Insurance	198,376	-	-	-	-	198,376
Federal Revenue	-	-	-	-	-	-
Loan and Other Income	-	-	-	-	-	739
Other Operating Revenues	1,597	262	285	-	-	2,893
Total Operating Revenues	<u>200,405</u>	<u>31,339</u>	<u>15,688</u>	<u>34</u>	<u>2,662</u>	<u>809,812</u>
OPERATING EXPENSES						
Benefits, Claims, and Premiums	333,650	-	-	-	-	348,615
General and Administrative Expenses	-	32,740	16,923	18	2,847	659,033
Depreciation Expense	-	2,570	2,277	42	40	5,056
Other Operating Expenses	-	-	1	-	5	10,613
Total Operating Expenses	<u>333,650</u>	<u>35,310</u>	<u>19,201</u>	<u>60</u>	<u>2,892</u>	<u>1,023,317</u>
OPERATING INCOME (LOSS)	(133,245)	(3,971)	(3,513)	(26)	(230)	(213,505)
NONOPERATING REVENUES (EXPENSES)						
Interest and Investment Income	13,322	230	602	-	561	31,061
Interest Expense	-	(106)	-	-	(5)	(111)
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	-	4
Government Grants and Contracts	32,555	1,085	-	-	-	45,601
Other Revenue (Expenses)	-	-	-	-	-	480
Total Nonoperating Revenues (Expenses)	<u>45,877</u>	<u>1,209</u>	<u>602</u>	<u>-</u>	<u>556</u>	<u>77,035</u>
INCOME (LOSS) BEFORE TRANSFERS	(87,368)	(2,762)	(2,911)	(26)	326	(136,470)
TRANSFERS						
Transfers In	-	18,863	5,181	-	-	122,907
Transfers Out	-	(542)	-	-	-	(2,074)
Total Transfers	<u>-</u>	<u>18,321</u>	<u>5,181</u>	<u>-</u>	<u>-</u>	<u>120,833</u>
CHANGE IN NET POSITION	(87,368)	15,559	2,270	(26)	326	(15,637)
Net Position - Beginning, As Originally Reported	585,656	(20,755)	32,311	793	9,843	1,057,912
Restatement (See Note 9)	-	(1,049)	(327)	-	(27)	(1,132)
Net Position - Beginning, as Restated	<u>585,656</u>	<u>(21,804)</u>	<u>31,984</u>	<u>793</u>	<u>9,816</u>	<u>1,056,780</u>
NET POSITION - ENDING	<u>\$ 498,288</u>	<u>\$ (6,245)</u>	<u>\$ 34,254</u>	<u>\$ 767</u>	<u>\$ 10,142</u>	<u>\$ 1,041,143</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from:						
Fees for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Products	9,304	4,561	-	6,359	509,776	-
Gifts, Grants, and Contracts	-	-	11,030	-	-	-
Loan and Note Repayments	-	-	15,383	-	-	-
Unemployment Insurance	-	-	-	-	-	-
Other Sources	-	-	1,364	-	-	879
Cash Payments to or for:						
Suppliers	(9,858)	(655)	-	(6,419)	(28,647)	-
Employees	(144)	(1,685)	-	(1,080)	-	-
Unemployment Benefits	-	-	-	-	-	-
Other Payments	-	(1,290)	(40,723)	(1,156)	(560,683)	-
Net Cash Provided (Used) by Operating Activities	(698)	931	(12,946)	(2,296)	(79,554)	879
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In	-	-	5,000	-	93,863	-
Transfers Out	-	-	(1,531)	-	(1)	-
Gifts for Other Than Capital Purposes	-	-	-	-	-	-
Intergovernmental Receipts	-	-	-	-	-	-
Other - Capital Asset Transfer In	-	-	-	-	-	-
Other Noncapital Financing	146	1,019	11,668	1,156	861	-
Net Cash Provided by Noncapital Financing Activities	146	1,019	15,137	1,156	94,723	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	-	(808)	-	(81)	(147)	-
Capital Debt Service Payments - Principal	-	-	-	(1)	-	-
Other Capital Financing	-	-	-	-	(1)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(808)	-	(82)	(148)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends of Investments	-	485	8,824	-	(694)	572
NET INCREASE (DECREASE) IN CASH	(552)	1,627	11,015	(1,222)	14,327	1,451
Cash and Cash Equivalents - Beginning of Year	803	2,199	222,623	2,872	1,259	13,594
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 251</u>	<u>\$ 3,826</u>	<u>\$ 233,638</u>	<u>\$ 1,650</u>	<u>\$ 15,586</u>	<u>\$ 15,045</u>
CASH AND CASH EQUIVALENTS						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 14,896	\$ -
Investment in State Gen. Fund Investment Pool	251	3,826	233,638	1,650	690	15,045
Total Cash and Cash Equivalents	<u>\$ 251</u>	<u>\$ 3,826</u>	<u>\$ 233,638</u>	<u>\$ 1,650</u>	<u>\$ 15,586</u>	<u>\$ 15,045</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from:						
Fees for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Products	-	22,277	15,699	34	-	568,010
Gifts, Grants, and Contracts	-	1,356	-	-	2,649	15,035
Loan and Note Repayments	-	-	-	-	-	15,383
Unemployment Insurance	287,903	-	-	-	-	287,903
Other Sources	2	6,032	2,272	-	-	10,549
Cash Payments to or for:						
Suppliers	-	-	(19,758)	(10)	(2,402)	(67,749)
Employees	-	(22,680)	-	-	(490)	(26,079)
Unemployment Benefits	(329,407)	-	-	-	-	(329,407)
Other Payments	-	(29,345)	(2,050)	-	(332)	(635,579)
Net Cash Provided (Used) by Operating Activities	(41,502)	(22,360)	(3,837)	24	(575)	(161,934)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In	-	18,863	5,181	-	-	122,907
Transfers Out	-	(542)	-	-	-	(2,074)
Gifts for Other Than Capital Purposes	-	-	-	-	-	-
Intergovernmental Receipts	-	(3,800)	(5,181)	-	-	(8,981)
Other - Capital Asset Transfer In	-	-	-	-	-	-
Other Noncapital Financing	32,553	13,620	2,050	-	332	63,405
Net Cash Provided by Noncapital Financing Activities	32,553	28,141	2,050	-	332	175,257
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	-	3,600	(5,194)	-	-	(2,630)
Capital Debt Service Payments - Principal	-	-	-	-	-	(1)
Other Capital Financing	-	(4,339)	5,175	-	(45)	790
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(739)	(19)	-	(45)	(1,841)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends of Investments	13,322	231	602	-	643	23,985
NET INCREASE (DECREASE) IN CASH	4,373	5,273	(1,204)	24	355	35,467
Cash and Cash Equivalents - Beginning of Year	413,833	1,961	3,219	724	639	663,726
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 418,206</u>	<u>\$ 7,234</u>	<u>\$ 2,015</u>	<u>\$ 748</u>	<u>\$ 994</u>	<u>\$ 699,193</u>
CASH AND CASH EQUIVALENTS						
Unrestricted	\$ 425,293	\$ 194	\$ 1,569	\$ -	\$ -	\$ 441,952
Investment in State Gen. Fund Investment Pool	-	7,040	446	748	994	264,328
Total Cash and Cash Equivalents	<u>\$ 418,206</u>	<u>\$ 7,234</u>	<u>\$ 2,015</u>	<u>\$ 748</u>	<u>\$ 994</u>	<u>\$ 699,193</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (11)	\$ 2,207	\$ (5,090)	\$ (170)	\$ (69,545)	\$ 89
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	115	-	4	4	-
Change in Net Pension Liability	(8)	(569)	-	114	407	-
Change in Net OPEB Liability	(56)	(655)	-	(383)	(473)	-
Change in Deferred Outflows of Resources	1	94	-	(29)	(86)	-
Change in Deferred Inflows of Resources	(58)	(695)	-	(389)	(472)	-
Bad Debt Expense	-	-	-	-	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables - Due from Other Funds	(734)	310	(7,856)	648	(29,182)	791
Inventories	-	(380)	-	36	-	-
Prepaid Items and Other Assets	-	-	-	(39)	14,965	-
Accounts Payable and Accrued Liabilities - Due to Other Funds	168	504	-	(2,111)	4,755	(1)
Loss Adjustments	-	-	-	-	-	-
Unearned Revenue	-	-	-	23	73	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (698)</u>	<u>\$ 931</u>	<u>\$ (12,946)</u>	<u>\$ (2,296)</u>	<u>\$ (79,554)</u>	<u>\$ 879</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (133,245)	\$ (3,971)	\$ (3,513)	\$ (26)	\$ (230)	\$ (213,505)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	2,570	1,950	42	40	4,725
Change in Net Pension Liability	-	(3,999)	116	-	(54)	(3,993)
Change in Net OPEB Liability	-	(7,741)	(1,206)	-	(197)	(10,711)
Change in Deferred Outflows of Resources	-	619	(43)	-	7	563
Change in Deferred Inflows of Resources	-	(8,090)	(3,516)	-	(204)	(13,424)
Bad Debt Expense	-	921	-	-	-	921
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables - Due from Other Funds	87,499	(3,527)	2,265	8	(14)	50,208
Inventories	-	(4)	-	-	-	(348)
Prepaid Items and Other Assets	-	-	-	-	-	14,926
Accounts Payable and Accrued Liabilities - Due to Other Funds	4,244	824	(147)	-	69	8,305
Loss Adjustments	-	-	-	-	-	-
Unearned Revenue	-	38	257	-	8	399
Net Cash Provided (Used) by Operating Activities	<u>\$ (41,502)</u>	<u>\$ (22,360)</u>	<u>\$ (3,837)</u>	<u>\$ 24</u>	<u>\$ (575)</u>	<u>\$ (161,934)</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, 2025
(IN THOUSANDS)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
ASSETS							
Current Assets:							
Investment in the State General Fund							
Investment Pool	\$ 3,539	\$ 176,877	\$ 5,435	\$ 10,121	\$ 53,512	\$ -	\$ 249,484
Due from Other Funds	-	-	-	-	11,826	(11,826)	-
Receivables, Net	31	19,269	14	7,670	1	-	26,985
Total Current Assets	<u>3,570</u>	<u>196,146</u>	<u>5,449</u>	<u>17,791</u>	<u>65,339</u>	<u>(11,826)</u>	<u>276,469</u>
Noncurrent Assets:							
Nondepreciable Capital Assets	-	-	-	29,936	-	-	29,936
Capital Assets, Net	22,142	630	1,481	46,644	8,646	-	79,543
Total Noncurrent Assets	<u>22,142</u>	<u>630</u>	<u>1,481</u>	<u>76,580</u>	<u>8,646</u>	<u>-</u>	<u>109,479</u>
Total Assets	<u>25,712</u>	<u>196,776</u>	<u>6,930</u>	<u>94,371</u>	<u>73,985</u>	<u>(11,826)</u>	<u>385,948</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows - OPEB	117	267	332	806	131	-	1,653
Deferred Outflows - Pension	695	1,821	1,870	4,802	119	-	9,307
Total Deferred Outflows	<u>812</u>	<u>2,088</u>	<u>2,202</u>	<u>5,608</u>	<u>250</u>	<u>-</u>	<u>10,960</u>
LIABILITIES							
Current Liabilities:							
Accounts Payable	1,374	51,848	427	1,278	2,285	-	57,212
Accrued Liabilities	94	141	134	370	6	-	745
Unearned Revenue	-	-	1	-	-	-	1
Due to Other Funds	-	7,661	-	11,826	-	(11,826)	7,661
Funds Held for Others	1	(1)	-	-	-	-	-
Other Liabilities	1	2	-	-	-	-	3
Other Liabilities	1,617	256,712	623	3,284	20	-	262,256
Total Current Liabilities	<u>3,087</u>	<u>316,363</u>	<u>1,185</u>	<u>16,758</u>	<u>2,311</u>	<u>(11,826)</u>	<u>327,878</u>
Noncurrent Liabilities:							
Net Pension Liability	4,092	10,714	11,005	28,257	699	-	54,767
Net OPEB Liability	378	867	1,081	2,619	425	-	5,370
Other Liabilities	1,371	260,747	850	6,035	9	-	269,012
Total Noncurrent Liabilities	<u>5,841</u>	<u>272,328</u>	<u>12,936</u>	<u>36,911</u>	<u>1,133</u>	<u>-</u>	<u>329,149</u>
Total Liabilities	<u>8,928</u>	<u>588,691</u>	<u>14,121</u>	<u>53,669</u>	<u>3,444</u>	<u>(11,826)</u>	<u>657,027</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows - Pension	37	95	99	253	6	-	490
Deferred Inflows - OPEB	288	659	821	1,989	322	-	4,079
Total Deferred Inflows	<u>325</u>	<u>754</u>	<u>920</u>	<u>2,242</u>	<u>328</u>	<u>-</u>	<u>4,569</u>
NET POSITION							
Net Investment in Capital Assets	19,455	(6)	642	68,914	8,643	-	97,648
Restricted for Other Purposes	-	2,623	-	2,658	63,017	-	68,298
Unrestricted (Deficit)	(2,184)	(393,198)	(6,551)	(27,504)	(1,197)	-	(430,634)
Total Net Position	<u>\$ 17,271</u>	<u>\$ (390,581)</u>	<u>\$ (5,909)</u>	<u>\$ 44,068</u>	<u>\$ 70,463</u>	<u>\$ -</u>	<u>\$ (264,688)</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
OPERATING REVENUES							
Charges for Services	\$ 9,800	\$ 561,421	\$ 3,553	\$ 57,560	\$ 9,258	\$ -	\$ 641,592
Federal Revenues	-	-	-	-	-	-	-
Total Operating Revenues	<u>9,852</u>	<u>561,421</u>	<u>3,553</u>	<u>57,560</u>	<u>9,258</u>	<u>-</u>	<u>641,644</u>
OPERATING EXPENSES							
General and Administrative Expenses	5,437	718,978	8,906	44,171	18,542	-	796,034
Depreciation Expense	9,024	90	412	15,288	3,682	-	28,496
Other Operating Expenses	373	15,220	(4,394)	1,192	(5,563)	-	6,828
Total Operating Expenses	<u>14,834</u>	<u>734,288</u>	<u>4,924</u>	<u>60,651</u>	<u>16,661</u>	<u>-</u>	<u>831,358</u>
OPERATING LOSS	(4,982)	(172,867)	(1,371)	(3,091)	(7,403)	-	(189,714)
NONOPERATING REVENUES (EXPENSES)							
Interest and Investment Income	(3)	6,159	(8)	-	1,566	-	7,714
Interest Expense	(27)	(5)	(38)	(155)	-	-	(225)
Gain (Loss) on Sale of Capital Assets	136	-	314	-	-	-	450
Nonoperating Revenues (Expenses)	34	2,995	73	8	3	-	3,113
Total Nonoperating Revenues (Expenses)	<u>140</u>	<u>9,149</u>	<u>341</u>	<u>(147)</u>	<u>1,569</u>	<u>-</u>	<u>11,052</u>
LOSS BEFORE TRANSFERS	(4,842)	(163,718)	(1,030)	(3,238)	(5,834)	-	(178,662)
TRANSFERS							
Transfers In	7,425	170,998	6,351	11,523	12,141	(16,837)	191,601
Transfers Out	(2,921)	(8,531)	(401)	(12,971)	(5,053)	16,837	(13,040)
Total Transfers	<u>4,504</u>	<u>162,467</u>	<u>5,950</u>	<u>(1,448)</u>	<u>7,088</u>	<u>-</u>	<u>178,561</u>
CHANGE IN NET POSITION	(338)	(1,251)	4,920	(4,686)	1,254	-	(101)
Net Position - Beginning	17,678	(389,158)	(10,563)	49,244	69,410	-	(263,389)
Restatement (Note 9)	(69)	(172)	(266)	(490)	(201)	-	(1,198)
Net Position - Beginning, as Restated	<u>17,609</u>	<u>(389,330)</u>	<u>(10,829)</u>	<u>48,754</u>	<u>69,209</u>	<u>-</u>	<u>(264,587)</u>
NET POSITION - ENDING	<u>\$ 17,271</u>	<u>\$ (390,581)</u>	<u>\$ (5,909)</u>	<u>\$ 44,068</u>	<u>\$ 70,463</u>	<u>\$ -</u>	<u>\$ (264,688)</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from:							
Fees for Service	\$ 8,457	\$ 512,584	\$ -	\$ -	\$ -	\$ -	\$ 521,041
Other Sources	115	67	374	47,800	7,792	-	56,148
Cash Payments to or for:							
Suppliers	(2,252)	(85,518)	(3,070)	(33,171)	(12,304)	-	(136,315)
Employees	(2,297)	(5,034)	(5,990)	(14,873)	(2,321)	-	(30,515)
Claims	-	(539,709)	-	-	-	-	(539,709)
Net Cash Provided (Used) by Operating Activities	4,023	(117,610)	(8,686)	(244)	(6,833)	-	(129,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers In	3,428	170,998	6,351	11,523	12,141	(16,837)	187,604
Transfers Out	(2,922)	(8,531)	(401)	(12,971)	(5,053)	16,837	(13,041)
Other Noncapital Financing	1,430	13,877	2,690	(1,362)	6,524	-	23,159
Net Cash Provided (Used) by Noncapital Financing Activities	1,936	176,344	8,640	(2,810)	13,612	-	197,722
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from Sale of Capital Assets	31	-	-	-	-	-	31
Capital Debt Service Payments - Principal	(3,622)	(86)	-	-	-	-	(3,708)
Capital Debt Service Payments - Interest	(27)	(3)	-	-	-	-	(30)
Other Capital Financing	(2,609)	-	665	10,789	(5,052)	-	3,793
Acquisition of Capital Assets	-	-	-	(13,818)	-	-	(13,818)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,227)	(89)	665	(3,029)	(5,052)	-	(13,732)
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts of Interest and Dividends of Investments	1	6,159	-	-	1,565	-	7,725
NET INCREASE (DECREASE) IN CASH	(267)	64,804	619	(6,083)	3,292	-	62,365
Cash and Cash Equivalents - Beginning	3,806	112,073	4,816	16,204	50,220	-	187,119
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 3,539</u>	<u>\$ 176,877</u>	<u>\$ 5,435</u>	<u>\$ 10,121</u>	<u>\$ 53,512</u>	<u>\$ -</u>	<u>\$ 249,484</u>
CASH AND CASH EQUIVALENTS							
Investment in the State General Fund Investment Pool	<u>\$ 3,539</u>	<u>\$ 176,877</u>	<u>\$ 5,435</u>	<u>\$ 10,121</u>	<u>\$ 53,512</u>	<u>\$ -</u>	<u>\$ 249,484</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Loss	\$ (4,982)	\$ (172,867)	\$ (1,371)	\$ (3,091)	\$ (7,403)	\$ -	\$ (189,714)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:							
Depreciation	9,024	90	431	15,287	3,679	-	28,511
Change in Net Pension Liability	643	1,032	(3,423)	2,966	(5,557)	-	(4,339)
Change in Net OPEB Liability	(719)	(1,834)	(2,537)	(5,032)	(1,160)	-	(11,282)
Change in Deferred Outflows of Resources	(133)	(194)	617	(671)	998	-	617
Change in Deferred Inflows of Resources	(720)	(1,894)	(2,723)	(5,080)	(1,303)	-	(11,720)
Net Changes in Assets and Liabilities Related to Operating Activities:							
Receivables - Due from Other Funds	2	14,963	160	(905)	3,784	-	18,004
Insurance Claims Payable	-	38,513	-	-	-	-	38,513
Accounts Payable and Accrued Liabilities - Due to Other Funds	908	4,581	160	(3,718)	129	-	2,060
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,023</u>	<u>\$ (117,610)</u>	<u>\$ (8,686)</u>	<u>\$ (244)</u>	<u>\$ (6,833)</u>	<u>\$ -</u>	<u>\$ (129,350)</u>
NONCASH CAPITAL FINANCING TRANSACTIONS							
Transfers In of Capital Assets	<u>\$ 3,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,997</u>
Transfers Out of Capital Assets	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Lease Inception	<u>\$ 256</u>	<u>\$ 377</u>	<u>\$ 588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,221</u>
Loss on Early Termination	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</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, 2025
(IN THOUSANDS)**

	Public Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Total
ASSETS						
Cash and Short-Term Investments	\$ 451,279	\$ 253,171	\$ -	\$ -	\$ 87,221	\$ 791,671
Investment in State General Fund Investment Pool	45,494	12,946	55,927	13	-	114,380
Investments:						
Investment Pools at SIC	-	-	1,820,872	-	-	1,820,872
International Securities	2,108,336	-	-	-	-	2,108,336
Corporate Equity Securities	3,866,307	-	-	-	-	3,866,307
Corporate and Municipal Bonds	-	1,023,049	-	-	-	1,023,049
Partnerships and Other Investments	12,422,407	17,483,180	-	-	-	29,905,587
Securities Lending Collateral Investments	731,434	-	-	-	-	731,434
Deferred Compensation Plan Investments	-	-	-	917,466	-	917,466
Receivables:						
Brokers	100,919	8,878	-	-	-	109,797
Accrued Interest and Other	-	12,716	-	-	-	12,716
Accounts Receivable	27,096	151,318	22,295	-	2	200,711
Other State Agencies	-	-	-	-	-	-
Component Units	-	-	-	-	-	-
Participant Loans	-	-	93	10,699	-	10,792
Long-Term Receivables	-	-	439	-	-	439
Capital Assets, Net	10,913	25,907	1,072	-	-	37,892
Total Assets	<u>19,764,185</u>	<u>18,971,165</u>	<u>1,900,698</u>	<u>928,178</u>	<u>87,223</u>	<u>41,651,449</u>
LIABILITIES						
Accounts Payable	3,382	3,786	11,996	-	-	19,164
Accrued Liabilities	255	231	59	3	-	548
Due to Brokers	140,919	831	-	-	-	141,750
Unearned Revenue	-	-	337	-	-	337
Deposits Held in Trust	4,490	-	-	-	-	4,490
Other Liabilities	731,344	2,788	-	-	-	734,132
Long-Term Liabilities	3,504	3,178	22,575	29	-	29,286
Total Liabilities	<u>883,894</u>	<u>10,814</u>	<u>34,967</u>	<u>32</u>	<u>-</u>	<u>929,707</u>
NET POSITION						
Restricted for:						
Pension Benefits	18,880,291	18,960,351	-	-	87,223	37,927,865
Other Employee Benefits	-	-	1,865,731	-	-	1,865,731
Defined Contribution	-	-	-	928,146	-	928,146
Net Position	<u>\$ 18,880,291</u>	<u>\$ 18,960,351</u>	<u>\$ 1,865,731</u>	<u>\$ 928,146</u>	<u>\$ 87,223</u>	<u>\$ 40,721,742</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE TRUST FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Public Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Eliminations	Total
ADDITIONS							
Contributions:							
Employee Contributions	\$ 482,440	\$ 456,572	\$ 168,874	\$ 56,830	\$ 1,884	\$ -	\$ 1,166,600
Employer Contributions	589,392	802,437	203,420	-	1,884	-	1,597,133
Other	45	1,407	-	-	-	(45)	1,407
Total Contributions	<u>1,071,877</u>	<u>1,260,416</u>	<u>372,294</u>	<u>56,830</u>	<u>3,768</u>	<u>(45)</u>	<u>2,765,140</u>
Investment Income:							
Net Increase in Fair Value of Investments	-	-	43	-	10,887	-	10,930
Interest and Dividends	1,858,985	1,966,009	170,948	95,825	-	-	4,091,767
Subtotal	<u>1,858,985</u>	<u>1,966,009</u>	<u>170,991</u>	<u>95,825</u>	<u>10,887</u>	<u>-</u>	<u>4,102,697</u>
Less: Investment Expense	69,249	234,384	-	-	-	-	303,633
Net Investment Income	<u>1,789,736</u>	<u>1,731,625</u>	<u>170,991</u>	<u>95,825</u>	<u>10,887</u>	<u>-</u>	<u>3,799,064</u>
Other Additions:							
Other Operating Revenues	6,714	965	101,343	112	-	-	109,134
Total Other Additions	<u>6,714</u>	<u>965</u>	<u>101,343</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>109,134</u>
Total Additions	2,868,327	2,993,006	644,628	152,767	14,655	(45)	6,673,338
DEDUCTIONS							
Benefits and Claims	1,515,472	1,437,062	-	73,366	-	-	3,025,900
Refunds	60,945	78,248	331	-	-	-	139,524
General and Administrative Expenses	17,303	13,999	359,992	2,486	7	-	393,787
Other Operating Expenses	925	1,059	461	-	-	(45)	2,400
Total Deductions	<u>1,594,645</u>	<u>1,530,368</u>	<u>360,784</u>	<u>75,852</u>	<u>7</u>	<u>(45)</u>	<u>3,561,611</u>
CHANGE IN NET POSITION	1,273,682	1,462,638	283,844	76,915	14,648	-	3,111,727
Net Position - Beginning	17,607,114	17,498,213	1,581,965	851,245	72,575	-	37,611,112
Restatement (Note 9)	(505)	(500)	(78)	(14)	-	-	(1,097)
Net Position - Beginning, as Restated	<u>17,606,609</u>	<u>17,497,713</u>	<u>1,581,887</u>	<u>851,231</u>	<u>72,575</u>	<u>-</u>	<u>37,610,015</u>
NET POSITION - ENDING	<u>\$ 18,880,291</u>	<u>\$ 18,960,351</u>	<u>\$ 1,865,731</u>	<u>\$ 928,146</u>	<u>\$ 87,223</u>	<u>\$ -</u>	<u>\$ 40,721,742</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, 2025
(IN THOUSANDS)

	State Investment Council	State Treasurer	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 6,026	\$ -	\$ 6,026
Investment in Local Government Investment Pool	-	-	-
Investments	178,378	1,980,843	2,159,221
Receivables	5,798	7,636	13,434
Total Assets	<u>190,202</u>	<u>1,988,479</u>	<u>2,178,681</u>
LIABILITIES			
Other Liabilities	<u>4,100</u>	<u>39,805</u>	<u>43,905</u>
Total Liabilities	<u>4,100</u>	<u>39,805</u>	<u>43,905</u>
NET POSITION			
Held in Trust for External Investment Pool Participants	<u>186,102</u>	<u>1,948,674</u>	<u>2,134,776</u>
Net Position	<u>\$ 186,102</u>	<u>\$ 1,948,674</u>	<u>\$ 2,134,776</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EXTERNAL INVESTMENTS TRUST FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	State Investment Council	State Treasurer	Total
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Pool Participant Deposits	\$ 6,600	\$ 943,592	\$ 950,192
Investment Income (Loss):			
Net Increase in Fair Value of Investments	20,741	41,196	61,937
Interest and Dividends	<u> -</u>	<u> -</u>	<u> -</u>
Total Additions	27,341	984,788	1,012,129
DEDUCTIONS			
General and Administrative Expenses	-	-	-
Distributions	<u>6,444</u>	<u>731,034</u>	<u>737,478</u>
Total Deductions	<u>6,444</u>	<u>731,034</u>	<u>737,478</u>
CHANGE IN NET POSITION	20,897	253,754	274,651
Net Position - Beginning	<u>165,205</u>	<u>1,694,920</u>	<u>1,860,125</u>
NET POSITION - ENDING	<u>\$ 186,102</u>	<u>\$ 1,948,674</u>	<u>\$ 2,134,776</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, 2025
(IN THOUSANDS)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Total
ASSETS					
Cash and Cash Equivalents	\$ 20	\$ 6,911	\$ -	\$ 21,437	\$ 28,368
Investment in State General Fund Investment Pool	54	-	125	325,068	325,247
Investments:					
Investment Pools	-	2,415,411	-	681,432	3,096,843
Receivables:					
Accrued Interest and Other	-	-	-	3,074	3,074
Total Assets	<u>74</u>	<u>2,422,322</u>	<u>125</u>	<u>1,031,011</u>	<u>3,453,532</u>
LIABILITIES					
Accounts Payable	-	-	-	2,345	2,345
Accrued Liabilities	-	1,427	-	-	1,427
Unearned Revenue	-	-	-	60,493	60,493
Other Liabilities	-	107	-	336,331	336,438
Total Liabilities	<u>-</u>	<u>1,534</u>	<u>-</u>	<u>399,169</u>	<u>400,703</u>
NET POSITION					
Held in Trust for Other Purposes	<u>74</u>	<u>2,420,788</u>	<u>125</u>	<u>631,842</u>	<u>3,052,829</u>
Net Position	<u>\$ 74</u>	<u>\$ 2,420,788</u>	<u>\$ 125</u>	<u>\$ 631,842</u>	<u>\$ 3,052,829</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Total
ADDITIONS					
Member Contributions	\$ -	\$ 180,013	\$ -	\$ 129,265	\$ 309,278
Total Contributions	-	180,013	-	129,265	309,278
Investment Income (Loss):					
Net Increase (Decrease) in Fair Value of Investments	2	234,132	5	37,379	271,518
Subtotal	2	234,132	5	37,379	271,518
Less: Investment Expense	-	2,016	-	4	2,020
Net Investment Income (Loss)	2	232,116	5	37,375	269,498
Other Additions:					
Other Operating Revenues	-	-	-	130,993	130,993
Total Other Additions	-	-	-	130,993	130,993
Total Additions	2	412,129	5	297,633	709,769
DEDUCTIONS					
Distributions	-	330,511	-	138,167	468,678
General and Administrative Expenses	-	7,723	-	123,735	131,458
Total Deductions	-	338,234	-	261,902	600,136
CHANGE IN NET POSITION	2	73,895	5	35,731	109,633
Net Position - Beginning	72	2,346,893	120	596,111	2,943,196
NET POSITION - ENDING	<u>\$ 74</u>	<u>\$ 2,420,788</u>	<u>\$ 125</u>	<u>\$ 631,842</u>	<u>\$ 3,052,829</u>

**STATE OF NEW MEXICO
NONMAJOR COMPONENT UNITS**

Nonmajor Component Units

There were 16 nonmajor component units at June 30, 2025. 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, 2025
(IN THOUSANDS)**

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
ASSETS									
Current Assets:									
Cash and Cash Equivalents	\$ 465	\$ 8,302	\$ 863	\$ 799	\$ 748	\$ 142	\$ 3	\$ 150	\$ 62
Investment in Local Government Investment Pool	-	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents Investments	12,011	195	28,353	-	1,115	-	-	-	950
Due from Primary Government Receivables, Net	-	-	-	-	-	-	-	-	-
Other Current Assets	46	107	86	553	-	-	-	-	30
Prepaid Expenses	-	6	-	39	68	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Current Assets	12,522	8,610	29,344	1,391	1,931	142	3	150	1,042
Noncurrent Assets:									
Restricted Cash and Cash Equivalents	-	-	-	1,128	-	-	-	-	-
Restricted Investments	-	-	-	-	-	-	-	-	11,261
Loans Receivable, Net	-	-	-	-	-	-	-	-	-
Investments	-	-	15,397	25,605	39,390	40,220	24,709	573	-
Other Noncurrent Assets	-	-	255	-	-	-	-	-	-
Nondepreciable Capital Assets	-	-	568	6,532	554	-	-	-	-
Other Capital Assets, Net	-	-	600	-	5	158	-	-	-
Total Noncurrent Assets	-	-	16,820	33,265	39,949	40,378	24,709	573	11,261
Total Assets	12,522	8,610	46,164	34,656	41,880	40,520	24,712	723	12,303
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charge on Refunding	-	-	-	-	-	-	-	-	-
Deferred Outflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Outflows - Pension	-	-	-	-	-	-	-	-	-
Total Deferred Outflows	-	-	-	-	-	-	-	-	-

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 67	\$ 9	\$ 2,748	\$ 144	\$ 28	\$ 145,138	\$ 250	\$ 159,918
Investment in Local Government								
Investment Pool	-	-	-	1,822	52,575	-	-	54,397
Restricted Cash and Cash Equivalents	4,285	-	-	-	-	8,766	-	15,311
Investments	-	-	-	-	26,159	2,887	-	69,410
Due from Primary Government	-	-	-	-	-	11,074	-	11,074
Receivables, Net	-	-	1,665	975	365	4,787	31	8,645
Other Current Assets	1	-	-	-	-	-	-	43
Prepaid Expenses	-	-	124	3	6	984	-	1,230
Inventory	-	-	148	-	-	-	-	148
Total Current Assets	<u>4,353</u>	<u>9</u>	<u>4,687</u>	<u>2,944</u>	<u>79,133</u>	<u>173,636</u>	<u>281</u>	<u>320,178</u>
Noncurrent Assets:								
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	1,128
Restricted Investments	-	-	-	-	-	-	-	11,261
Loans Receivable, Net	-	-	-	9,383	108,670	-	-	118,053
Investments	89,124	274	-	-	1,552	-	2,807	239,651
Other Noncurrent Assets	-	-	-	-	712	697	-	1,664
Nondepreciable Capital Assets	-	-	2,177	-	-	53,275	-	63,106
Other Capital Assets, Net	2	-	21,054	40	-	259,130	-	280,989
Total Noncurrent Assets	<u>89,126</u>	<u>274</u>	<u>23,231</u>	<u>9,423</u>	<u>110,934</u>	<u>313,102</u>	<u>2,807</u>	<u>715,852</u>
Total Assets	93,479	283	27,918	12,367	190,067	486,738	3,088	1,036,030
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Charge on Refunding	-	-	-	-	-	286	-	286
Deferred Outflows - OPEB	-	-	-	-	-	38,017	-	38,017
Deferred Outflows - Pension	-	-	-	-	-	104,569	-	104,569
Total Deferred Outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,872</u>	<u>-</u>	<u>142,872</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
LIABILITIES									
Current Liabilities:									
Accounts Payable	\$ 103	\$ 26	\$ 35	\$ 279	\$ 7	\$ 641	\$ -	\$ 10	\$ -
Accrued Liabilities	-	173	-	-	-	-	-	-	-
Unearned Revenue	-	705	-	-	-	-	-	-	-
Due to Primary Government	-	3,725	59	-	474	-	-	-	473
Due to Other Component Unit	-	-	-	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	598	-	-	-	-
Other Liabilities	-	-	-	-	242	-	-	-	-
Bonds Payable - Current Portion	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities - Current Portion	-	-	-	369	-	-	-	-	-
Total Current Liabilities	103	4,629	94	648	1,321	641	-	10	473
Noncurrent Liabilities:									
Bonds Payable	-	-	-	-	-	-	-	-	-
Due to Primary Government	-	-	-	12,780	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	12,780	-	-	-	-	-
Total Liabilities	103	4,629	94	13,428	1,321	641	-	10	473
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows - Pension	-	-	-	-	-	-	-	-	-
Deferred Inflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Inflows - Leases	-	-	-	-	-	-	-	-	-
Deferred Inflows - Other	-	-	69	-	-	-	-	-	-
Total Deferred Inflows	-	-	69	-	-	-	-	-	-
NET POSITION									
Net Investment in Capital Assets	-	-	1,167	6,163	317	-	-	-	-
Restricted:									
Nonexpendable	-	-	15,688	7,101	39,631	23,223	2,222	353	12,240
Expendable:									
Other Purposes	-	195	6,712	4,864	612	12,775	5,927	301	-
Unrestricted Net Position (Deficit)	12,419	3,786	22,434	3,100	(1)	3,881	16,563	59	(410)
Total Net Position (Deficit)	\$ 12,419	\$ 3,981	\$ 46,001	\$ 21,228	\$ 40,559	\$ 39,879	\$ 24,712	\$ 713	\$ 11,830

**STATE OF NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 190	\$ -	\$ 640	\$ 83	\$ 29	\$ 7,014	\$ 25	\$ 9,082
Accrued Liabilities	-	-	125	-	-	18,610	-	18,908
Unearned Revenue	56	-	1,314	-	-	282	-	2,357
Due to Primary Government	628	-	-	-	3,480	57	-	8,896
Due to Other Component Unit	-	-	-	-	-	-	-	-
Funds Held for Others	-	-	-	-	-	-	-	598
Other Liabilities	-	-	-	5	5,609	1,162	-	7,018
Bonds Payable - Current Portion	-	-	-	-	-	28,244	-	28,244
Other Long-Term Liabilities - Current Portion	26	-	157	40	-	4,881	-	5,473
Total Current Liabilities	<u>900</u>	<u>-</u>	<u>2,236</u>	<u>128</u>	<u>9,118</u>	<u>60,250</u>	<u>25</u>	<u>80,576</u>
Noncurrent Liabilities:								
Bonds Payable	-	-	-	-	-	219,653	-	219,653
Due to Primary Government	-	-	-	-	-	-	-	12,780
Net Pension Liability	-	-	-	-	-	342,346	-	342,346
Net OPEB Liability	-	-	-	-	-	46,350	-	46,350
Other Long-Term Liabilities	-	-	4	-	-	3,560	-	3,564
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>611,909</u>	<u>-</u>	<u>624,693</u>
Total Liabilities	900	-	2,240	128	9,118	672,159	25	705,269
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows - Pension	-	-	-	-	-	38,701	-	38,701
Deferred Inflows - OPEB	-	-	-	-	-	41,223	-	41,223
Deferred Inflows - Leases	-	-	-	-	-	-	-	-
Deferred Inflows - Other	397	-	1,949	-	-	625	-	3,040
Total Deferred Inflows	<u>397</u>	<u>-</u>	<u>1,949</u>	<u>-</u>	<u>-</u>	<u>80,549</u>	<u>-</u>	<u>82,964</u>
NET POSITION								
Net Investment in Capital Assets	-	-	23,223	11	-	70,954	-	101,835
Restricted:								
Nonexpendable	65,374	-	-	-	180,951	-	-	346,783
Expendable:								
Other Purposes	-	253	-	12,227	-	63,181	-	107,047
Unrestricted Net Position (Deficit)	<u>26,808</u>	<u>30</u>	<u>506</u>	<u>1</u>	<u>(2)</u>	<u>(257,233)</u>	<u>3,063</u>	<u>(164,996)</u>
Total Net Position (Deficit)	<u>\$ 92,182</u>	<u>\$ 283</u>	<u>\$ 23,729</u>	<u>\$ 12,239</u>	<u>\$ 180,949</u>	<u>\$ (123,098)</u>	<u>\$ 3,063</u>	<u>\$ 390,669</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
REVENUES									
Program Revenues:									
Charges for Services	\$ 170	\$ 610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	9	6,844	-	1,318	10,695	187	21	92	1,107
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Program Revenues	<u>179</u>	<u>7,454</u>	<u>-</u>	<u>1,318</u>	<u>10,695</u>	<u>187</u>	<u>21</u>	<u>92</u>	<u>1,107</u>
EXPENSES	<u>1,003</u>	<u>7,076</u>	<u>3,534</u>	<u>1,755</u>	<u>1,155</u>	<u>2,439</u>	<u>2,192</u>	<u>211</u>	<u>683</u>
REVENUES OVER (UNDER) EXPENSES	(824)	378	(3,534)	(437)	9,540	(2,252)	(2,171)	(119)	424
OTHER REVENUES AND EXPENSES									
Payment from State of New Mexico	-	-	-	-	-	-	-	-	-
Payment to State of New Mexico	-	-	-	-	-	-	-	-	-
Other	494	-	1,351	410	-	6,185	159	90	-
Investment Income	1,161	230	4,534	1,012	2,160	2,781	4,535	51	973
Total Other Revenues and Expenses	<u>1,655</u>	<u>230</u>	<u>5,885</u>	<u>1,422</u>	<u>2,160</u>	<u>8,966</u>	<u>4,694</u>	<u>141</u>	<u>973</u>
CHANGE IN NET POSITION	831	608	2,351	985	11,700	6,714	2,523	22	1,397
Net Position - Beginning	11,588	3,373	43,650	20,243	28,859	33,165	22,189	691	10,433
Restatement (Note 9)	-	-	-	-	-	-	-	-	-
Net Position - Beginning, as Restated	<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>
NET POSITION - ENDING (DEFICIT)	<u>\$ 12,419</u>	<u>\$ 3,981</u>	<u>\$ 46,001</u>	<u>\$ 21,228</u>	<u>\$ 40,559</u>	<u>\$ 39,879</u>	<u>\$ 24,712</u>	<u>\$ 713</u>	<u>\$ 11,830</u>

**STATE OF NEW MEXICO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS(CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)**

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
REVENUES								
Program Revenues:								
Charges for Services	\$ -	\$ -	\$ 5,364	\$ 722	\$ -	\$ 2,235	\$ 106	\$ 9,207
Operating Grants and Contributions	1,633	66	609	-	-	61,796	-	84,377
Capital Grants and Contributions	-	-	3,736	-	-	25,752	-	29,488
Total Program Revenues	<u>1,633</u>	<u>66</u>	<u>9,709</u>	<u>722</u>	<u>-</u>	<u>89,783</u>	<u>106</u>	<u>123,072</u>
EXPENSES	<u>3,036</u>	<u>57</u>	<u>8,593</u>	<u>1,589</u>	<u>475</u>	<u>369,842</u>	<u>114</u>	<u>403,754</u>
REVENUES OVER (UNDER) EXPENSES	(1,403)	9	1,116	(867)	(475)	(280,059)	(8)	(280,682)
OTHER REVENUES AND EXPENSES								
Payment from State of New Mexico	-	-	-	-	28,349	297,315	-	325,664
Payment to State of New Mexico	-	-	-	-	(3,480)	-	-	(3,480)
Other	8	-	38	-	-	27,863	(7)	36,591
Investment Income	8,113	-	5	405	4,147	-	163	30,270
Total Other Revenues and Expenses	<u>8,121</u>	<u>-</u>	<u>43</u>	<u>405</u>	<u>29,016</u>	<u>325,178</u>	<u>156</u>	<u>389,045</u>
CHANGE IN NET POSITION	6,718	9	1,159	(462)	28,541	45,119	148	108,363
Net Position - Beginning	85,464	274	22,570	12,701	152,408	(160,312)	2,915	290,211
Restatement (Note 9)	-	-	-	-	-	(7,905)	-	(7,905)
Net Position - Beginning, as Restated	<u>85,464</u>	<u>274</u>	<u>22,570</u>	<u>12,701</u>	<u>152,408</u>	<u>(168,217)</u>	<u>2,915</u>	<u>282,306</u>
NET POSITION - ENDING (DEFICIT)	<u>\$ 92,182</u>	<u>\$ 283</u>	<u>\$ 23,729</u>	<u>\$ 12,239</u>	<u>\$ 180,949</u>	<u>\$ (123,098)</u>	<u>\$ 3,063</u>	<u>\$ 390,669</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	299
Schedule A-2	Changes in Net Position	301
Schedule A-3	Fund Balances, Governmental Funds	307
Schedule A-4	Changes in Fund Balances, Governmental Funds	309

Revenue Capacity Information

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

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Schedule B-3	Revenue Payers by Industry – Taxable Sales, Services, and Use Tax Purchases	317
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Debt Capacity Information

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

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Demographics and Economic Information

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

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Schedule D-3	Composition of Labor Force	333
Schedule D-4	Public Higher Education Enrollment	335

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	337
Schedule E-2	Operating Indicators by Function	339
Schedule E-3	Capital Assets Statistics by Function	344

STATISTICAL SECTION INFORMATION

Other Information

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

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Schedule F-2	Per Capita Expenditures – Historical and Constant Dollars	347

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				
	2025	2024	2023	2022	2021
Governmental Activities:					
Net Investment in Capital Assets	\$ 8,158,582	\$ 7,590,996	\$ 6,998,390	\$ 6,533,650	\$ 6,212,235
Restricted	73,688,095	63,615,298	53,960,311	42,996,897	37,944,662
Unrestricted	<u>(3,414,012)</u>	<u>(3,746,933)</u>	<u>(3,536,668)</u>	<u>(3,860,356)</u>	<u>(4,103,700)</u>
Total Governmental Activities Net Position	<u>\$ 78,432,665</u>	<u>\$ 67,459,361</u>	<u>\$ 57,422,033</u>	<u>\$ 45,670,191</u>	<u>\$ 40,053,197</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 2,648,565	\$ 2,396,173	\$ 2,238,573	\$ 2,031,156	\$ 1,845,399
Restricted	1,920,199	1,814,948	1,648,971	1,576,707	1,519,236
Unrestricted	<u>(718,521)</u>	<u>(1,137,073)</u>	<u>(1,953,436)</u>	<u>(2,014,143)</u>	<u>(1,891,399)</u>
Total Business-Type Activities Net Position	<u>\$ 3,850,243</u>	<u>\$ 3,074,048</u>	<u>\$ 1,934,108</u>	<u>\$ 1,593,720</u>	<u>\$ 1,473,236</u>
Primary Government:					
Net Investment in Capital Assets	\$ 10,807,147	\$ 9,987,169	\$ 9,236,963	\$ 8,564,806	\$ 8,057,634
Restricted	75,608,294	65,430,246	55,609,282	44,573,604	39,463,898
Unrestricted	<u>(4,132,533)</u>	<u>(4,884,006)</u>	<u>(5,490,104)</u>	<u>(5,874,499)</u>	<u>(5,995,099)</u>
Total Primary Government Net Position	<u>\$ 82,282,908</u>	<u>\$ 70,533,409</u>	<u>\$ 59,356,141</u>	<u>\$ 47,263,911</u>	<u>\$ 41,526,433</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				
	2020	2019	2018	2017	2016
Governmental Activities:					
Net Investment in Capital Assets	\$ 5,971,617	\$ 5,826,283	\$ 5,866,806	\$ 5,904,225	\$ 5,930,820
Restricted	30,024,134	27,579,790	25,740,851	23,268,593	18,311,421
Unrestricted	<u>(4,658,434)</u>	<u>(3,216,115)</u>	<u>(4,690,920)</u>	<u>(3,311,309)</u>	<u>(326,978)</u>
Total Governmental Activities Net Position	<u>\$ 31,337,317</u>	<u>\$ 30,189,958</u>	<u>\$ 26,916,737</u>	<u>\$ 25,861,508</u>	<u>\$ 23,915,263</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 1,808,184	\$ 1,770,690	\$ 1,755,991	\$ 1,742,099	\$ 1,654,692
Restricted	1,113,160	1,386,077	1,319,357	1,251,369	1,317,251
Unrestricted	<u>(970,769)</u>	<u>(1,905,986)</u>	<u>(1,547,653)</u>	<u>(846,457)</u>	<u>(975,829)</u>
Total Business-Type Activities Net Position	<u>\$ 1,950,575</u>	<u>\$ 1,250,781</u>	<u>\$ 1,527,695</u>	<u>\$ 2,147,011</u>	<u>\$ 1,996,114</u>
Primary Government:					
Net Investment in Capital Assets	\$ 7,779,801	\$ 7,596,973	\$ 7,622,797	\$ 7,646,323	\$ 7,585,511
Restricted	31,137,294	28,965,865	27,060,209	24,519,962	19,628,672
Unrestricted	<u>(5,629,204)</u>	<u>(5,122,101)</u>	<u>(6,238,579)</u>	<u>(4,157,768)</u>	<u>(1,302,806)</u>
Total Primary Government Net Position	<u>\$ 33,287,891</u>	<u>\$ 31,440,739</u>	<u>\$ 28,444,427</u>	<u>\$ 28,008,517</u>	<u>\$ 25,911,377</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
PROGRAM EXPENSES					
Governmental Activities:					
General Control	\$ 2,279,525	\$ 2,322,896	\$ 1,913,234	\$ 1,146,779	\$ 2,091,970
Culture, Recreation, and Natural Resources	571,305	731,495	259,482	326,191	260,481
Highway and Transportation	1,851,434	1,099,613	1,003,382	920,656	871,871
Judicial	447,012	429,703	385,550	358,032	313,217
Legislative	26,519	38,748	35,330	26,873	24,595
Public Safety	1,188,409	912,554	755,849	632,544	519,118
Regulation and Licensing	293,826	332,214	316,661	165,869	434,683
Health and Human Services	13,752,453	13,075,258	12,914,840	12,410,828	10,784,332
Education	5,968,592	6,044,528	5,236,537	4,654,985	3,989,681
Interest	56,004	72,896	63,668	135,183	132,809
Special Items:					
Reduction of Receivable, Internal Service Fund	-	-	-	-	-
Total Governmental Activities Expenses	<u>26,435,079</u>	<u>25,059,904</u>	<u>22,884,532</u>	<u>20,777,940</u>	<u>19,422,757</u>
Business-Type Activities:					
Educational Institutions	4,430,383	3,954,505	4,244,860	4,012,425	4,881,052
Public Schools Insurance	608,484	530,541	442,918	439,580	404,049
Environmental Loans	5,740	1,384	4,452	5,466	2,638
Miners' Colfax Medical Center	35,310	36,736	45,316	41,055	32,893
Unemployment Insurance	333,650	223,018	175,949	425,382	2,716,542
State Fair	19,201	17,535	16,204	14,598	8,691
Other Business-Type Activities	20,932	25,916	24,939	20,122	16,479
Special Items	-	-	-	-	-
Total Business-Type Activities Expenses	<u>5,453,700</u>	<u>4,789,634</u>	<u>4,954,637</u>	<u>4,958,628</u>	<u>8,062,344</u>
Total Primary Government Expenses	<u>\$ 31,888,780</u>	<u>\$ 29,849,539</u>	<u>\$ 27,839,170</u>	<u>\$ 25,736,568</u>	<u>\$ 27,485,101</u>

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

	Fiscal Year				
	2020	2019	2018	2017 as Restated	2016
PROGRAM EXPENSES					
Governmental Activities:					
General Control	\$ 946,145	\$ 949,925	\$ 1,244,170	\$ 1,722,398	\$ 1,706,181
Culture, Recreation, and Natural Resources	294,254	263,383	247,368	247,510	239,104
Highway and Transportation	952,604	876,159	805,736	824,522	987,512
Judicial	367,458	341,818	306,806	304,097	315,829
Legislative	26,741	28,024	24,068	26,834	23,184
Public Safety	593,994	548,909	534,228	552,421	498,391
Regulation and Licensing	207,749	194,956	175,084	124,269	118,405
Health and Human Services	9,447,582	7,864,173	7,982,533	8,008,413	8,008,413
Education	3,929,465	3,483,071	3,167,364	3,286,148	3,554,909
Interest	112,126	130,183	123,439	115,594	123,083
Special Items:					
Reduction of Receivable, Internal Service Fund	-	-	-	-	-
Total Governmental Activities Expenses	<u>16,878,118</u>	<u>14,680,601</u>	<u>14,610,795</u>	<u>15,212,206</u>	<u>15,575,011</u>
Business-Type Activities:					
Educational Institutions	2,802,996	3,844,396	3,645,245	3,383,288	3,126,892
Public Schools Insurance	397,157	370,389	354,996	383,282	395,579
Environmental Loans	1,387	2,726	1,526	1,949	2,266
Miners' Colfax Medical Center	40,490	37,506	34,807	33,180	31,295
Unemployment Insurance	1,547,564	137,995	166,040	178,334	195,506
State Fair	15,007	15,919	16,357	16,124	14,841
Other Business-Type Activities	19,248	22,845	20,536	18,869	16,524
Special Items	-	-	-	-	866
Total Business-Type Activities Expenses	<u>4,823,850</u>	<u>4,431,776</u>	<u>4,239,508</u>	<u>4,015,026</u>	<u>3,783,769</u>
Total Primary Government Expenses	<u>\$ 21,701,968</u>	<u>\$ 19,112,378</u>	<u>\$ 18,850,302</u>	<u>\$ 19,227,232</u>	<u>\$ 19,358,780</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Control	\$ 2,969,112	\$ 3,340,947	\$ 3,633,122	\$ 2,608,228	\$ 1,170,449
Culture, Recreation, and Natural Resources	2,624,330	2,592,067	2,793,054	2,461,709	1,297,090
Highway and Transportation	18,947	117,607	119,232	117,602	116,341
Judicial	8,747	16,653	15,220	13,584	12,505
Public Safety	10,082	10,159	9,888	9,434	8,273
Regulation and Licensing	53,698	59,659	64,970	94,658	80,805
Health and Human Services	976,164	268,446	251,447	226,341	219,276
Education	11,227	10,269	8,529	11,515	7,383
Operating Grants and Contributions	11,276,433	11,193,969	12,445,085	11,394,256	10,609,948
Capital Grants and Contributions	605,248	583,575	482,551	484,294	480,552
Total Governmental Activities					
Program Revenues	18,553,988	18,193,351	19,823,098	17,421,621	14,002,622
Business-Type Activities:					
Charges for Services:					
Educational Institutions	2,481,571	2,547,041	1,947,792	2,019,164	1,976,449
Public Schools Insurance	538,939	484,978	438,435	413,906	403,369
Environmental Loans	650	8,803	5,162	1,566	2,088
Miners' Colfax Medical Center	31,339	29,654	27,627	26,917	17,859
Unemployment Insurance	200,405	191,876	146,972	113,048	780,811
State Fair	15,688	13,939	13,666	8,773	390
Other Business-Type Activities	22,791	21,929	19,631	18,425	17,184
Operating Grants and Contributions	476,240	620,393	608,117	1,157,358	2,908,576
Capital Grants and Contributions	153,561	30,411	57,753	12,869	31,836
Total Business-Type Activities					
Program Revenues	3,921,184	3,949,024	3,265,155	3,772,026	6,138,562
Total Primary Government					
Program Revenues	<u>\$ 22,475,172</u>	<u>\$ 22,142,375</u>	<u>\$ 23,088,253</u>	<u>\$ 21,193,647</u>	<u>\$ 20,141,184</u>
NET REVENUE (EXPENSE)					
Governmental Activities	\$ (7,881,091)	\$ (6,866,553)	\$ (3,061,434)	\$ (3,356,319)	\$ (5,420,135)
Business-Type Activities	<u>(1,532,516)</u>	<u>(840,610)</u>	<u>(1,689,482)</u>	<u>(1,186,602)</u>	<u>(1,923,782)</u>
Total Primary Government Net Expense	<u>\$ (9,413,607)</u>	<u>\$ (7,707,163)</u>	<u>\$ (4,750,916)</u>	<u>\$ (4,542,921)</u>	<u>\$ (7,343,917)</u>

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

	Fiscal Year				
	2020	2019	2018	2017 as Restated	2016
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Control	\$ 2,227,030	\$ 2,795,908	\$ 1,958,862	\$ 1,581,393	\$ 1,457,352
Culture, Recreation, and Natural Resources	66,086	57,330	70,071	64,956	63,474
Highway and Transportation	108,044	115,639	111,792	109,835	110,754
Judicial	15,655	17,873	17,706	17,011	15,620
Public Safety	11,753	44,304	12,641	9,326	9,345
Regulation and Licensing	44,733	41,915	41,178	34,304	35,218
Health and Human Services	199,137	167,077	173,479	159,894	147,373
Education	6,464	6,474	6,862	7,346	7,362
Operating Grants and Contributions	7,750,233	6,453,390	6,850,440	6,595,050	6,855,527
Capital Grants and Contributions	462,264	376,591	-	-	-
Total Governmental Activities					
Program Revenues	10,891,399	10,076,501	9,243,031	8,579,115	8,702,025
Business-Type Activities:					
Charges for Services:					
Educational Institutions	1,768,685	1,732,441	1,665,364	1,642,869	1,521,460
Public Schools Insurance	393,010	375,555	373,489	378,957	363,949
Environmental Loans	-	-	-	-	-
Miners' Colfax Medical Center	13,001	16,875	22,031	21,396	26,672
Unemployment Insurance	121,004	189	243	235	361
State Fair	10,239	12,182	11,469	11,722	11,928
Other Business-Type Activities	18,814	22,099	20,666	17,280	13,954
Operating Grants and Contributions	1,919,974	663,285	697,032	896,071	595,057
Capital Grants and Contributions	7,751	22,997	12,437	11,607	6,906
Total Business-Type Activities					
Program Revenues	4,252,478	2,845,623	2,802,731	2,980,137	2,540,287
Total Primary Government					
Program Revenues	<u>\$ 15,143,877</u>	<u>\$ 12,922,124</u>	<u>\$ 12,045,762</u>	<u>\$ 11,559,252</u>	<u>\$ 11,242,312</u>
NET REVENUE (EXPENSE)					
Governmental Activities	\$ (5,986,719)	\$ (4,693,509)	\$ (5,367,765)	\$ (6,633,091)	\$ (6,872,986)
Business-Type Activities	<u>(571,372)</u>	<u>(1,586,154)</u>	<u>(1,436,776)</u>	<u>(1,034,889)</u>	<u>(1,243,482)</u>
Total Primary Government Net Expense	<u>\$ (6,558,091)</u>	<u>\$ (6,279,663)</u>	<u>\$ (6,804,541)</u>	<u>\$ (7,667,980)</u>	<u>\$ (8,116,468)</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Individual Income Tax	\$ 2,141,572	\$ 2,046,878	\$ 1,621,993	\$ 1,424,390	\$ 1,837,492
Corporate Income Tax	801,615	640,784	440,208	335,978	147,434
Gross Receipts Taxes	4,597,790	4,147,401	4,224,494	3,640,515	3,000,606
Business Privilege	5,950,947	6,144,466	6,360,453	5,757,836	3,069,393
Unemployment Insurance	-	-	-	-	-
Other Taxes	27,910	122,019	70,450	48,333	15,087
Investment Income	6,547,314	4,490,045	2,873,705	(1,531,190)	6,671,245
Capital Gain	-	-	-	(35)	139
Nonoperating Investment Income and Other	-	-	-	-	-
Other Financing Sources Related to Leases	-	-	-	201	-
Other Revenue	448,416	811,771	612,743	267,488	298,326
Special Item - Potential Loss SGFIP	-	-	-	-	-
Special Item - Indian Water Rights Settlement	-	-	-	-	-
Special Item - AZ Water Settlement	-	-	-	-	-
Transfers	(1,608,223)	(1,499,482)	(1,390,769)	(907,838)	(914,694)
Total Governmental Activities	<u>18,907,341</u>	<u>16,903,882</u>	<u>14,813,277</u>	<u>9,035,678</u>	<u>14,125,028</u>
Business-Type Activities:					
Taxes:					
Other Taxes	-	-	-	-	-
Investment Income (Loss)	155,389	79,535	98,625	(62,068)	125,456
Special Item Loss of Discontinuance	-	-	-	(88,267)	(7,482)
Nonoperating Investment Income and Other	-	-	-	-	-
Other Financing Sources Related to Leases	-	-	-	41	-
Other Revenue	571,155	339,765	540,319	566,280	415,326
Transfers	1,608,223	1,499,482	1,390,769	907,838	914,694
Total Business-Type Activities	<u>2,334,767</u>	<u>1,918,782</u>	<u>2,029,713</u>	<u>1,323,824</u>	<u>1,447,994</u>
Total Primary Government	<u>\$ 21,242,108</u>	<u>\$ 18,822,664</u>	<u>\$ 16,842,990</u>	<u>\$ 10,359,502</u>	<u>\$ 15,573,022</u>
CHANGE IN NET POSITION					
Governmental Activities	\$ 11,026,250	\$ 10,037,329	\$ 11,751,843	\$ 5,679,360	\$ 8,704,893
Business-Type Activities	<u>802,251</u>	<u>1,078,172</u>	<u>340,231</u>	<u>137,222</u>	<u>(475,788)</u>
Total Primary Government	<u>\$ 11,828,501</u>	<u>\$ 11,115,501</u>	<u>\$ 12,092,074</u>	<u>\$ 5,816,581</u>	<u>\$ 8,229,105</u>

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

	Fiscal Year				
	2020	2019	2018	2017 as Restated	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Individual Income Tax	\$ 1,715,499	\$ 1,713,643	\$ 1,581,590	\$ 1,418,070	\$ 1,320,154
Corporate Income Tax	63,000	179,781	(67,093)	76,274	118,502
Gross Receipts Taxes	3,115,214	2,869,466	2,541,586	2,168,168	2,109,889
Business Privilege	2,530,032	2,531,119	2,212,070	1,863,055	1,622,513
Unemployment Insurance	-	18,510	14,529	7,200	18,970
Other Taxes	35,080	4,849	7,154	3,545	7,055
Investment Income	316,768	1,407,043	1,949,319	2,548,331	909,846
Capital Gain	7,703	7,792	404	-	-
Nonoperating Investment Income and Other	-	-	155	68	34
Other Financing Sources Related to Leases	-	-	-	-	-
Other Revenue	298,789	201,773	234,541	629,959	629,959
Special Item - Potential Loss SGFIP	-	-	-	-	-
Special Item - Indian Water Rights Settlement	(15)	-	-	-	(12,436)
Special Item - AZ Water Settlement	-	-	-	9,040	9,040
Transfers	(940,448)	(843,055)	(727,311)	(1,084,495)	(1,084,495)
Total Governmental Activities	<u>7,141,622</u>	<u>8,090,920</u>	<u>7,746,944</u>	<u>7,639,216</u>	<u>5,649,032</u>
Business-Type Activities:					
Taxes:					
Other Taxes	-	126,103	167,975	205,143	342,488
Investment Income (Loss)	22,741	23,776	14,276	13,742	9,838
Special Item Loss of Discontinuance	-	-	-	-	-
Nonoperating Investment Income and Other	34,408	50,206	27,865	47,929	21,465
Other Financing Sources Related to Leases	-	-	-	-	-
Other Revenue	275,299	258,532	260,061	123,959	242,772
Transfers	940,448	843,055	727,311	831,243	831,243
Total Business-Type Activities	<u>1,272,896</u>	<u>1,301,673</u>	<u>1,197,489</u>	<u>1,222,016</u>	<u>1,447,806</u>
Total Primary Government	<u>\$ 8,414,517</u>	<u>\$ 9,392,593</u>	<u>\$ 8,944,432</u>	<u>\$ 8,861,232</u>	<u>\$ 7,096,838</u>
CHANGE IN NET POSITION					
Governmental Activities	\$ 1,154,903	\$ 3,397,411	\$ 2,379,179	\$ 1,006,124	\$ (1,223,955)
Business-Type Activities	<u>701,524</u>	<u>(284,481)</u>	<u>(239,287)</u>	<u>187,127</u>	<u>204,324</u>
Total Primary Government	<u>\$ 1,856,427</u>	<u>\$ 3,112,929</u>	<u>\$ 2,139,893</u>	<u>\$ 1,193,253</u>	<u>\$ (1,019,629)</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
General Fund:					
Nonspendable	\$ 201,052	\$ 64,075	\$ 55,345	\$ 52,590	\$ 52,580
Restricted	20,263,959	17,308,336	13,913,099	8,791,420	4,556,671
Committed	145,700	219,306	93,045	37,390	48,062
Assigned	234,252	169,007	145,357	158,751	25,065
Unassigned	1,003,543	443,535	598,490	427,031	356,122
Total General Fund	<u>\$ 21,848,506</u>	<u>\$ 18,204,259</u>	<u>\$ 14,805,336</u>	<u>\$ 9,467,182</u>	<u>\$ 5,038,500</u>
All Other Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ -
Restricted	55,184,432	47,902,492	41,949,338	36,103,646	34,773,091
Committed	2,520	2,520	2,520	20	20
Assigned	-	-	-	-	-
Unassigned (Deficit)	(40,844)	(16,555)	(44,372)	(33,657)	(21,357)
Total All Other Governmental Funds	<u>\$ 55,148,108</u>	<u>\$ 47,890,458</u>	<u>\$ 41,909,487</u>	<u>\$ 36,070,010</u>	<u>\$ 34,751,754</u>
All Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	\$ 203,052	\$ 66,075	\$ 57,345	\$ 52,590	\$ 52,580
Restricted	75,448,391	65,210,828	55,862,437	44,895,066	39,329,762
Committed	148,220	221,826	95,565	37,410	48,082
Assigned	234,252	169,007	145,357	158,751	25,065
Unassigned (Deficit)	962,699	426,980	554,118	393,375	334,765
Total All Governmental Funds	<u>\$ 76,996,614</u>	<u>\$ 66,094,717</u>	<u>\$ 56,714,823</u>	<u>\$ 45,537,192</u>	<u>\$ 39,790,255</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				
	2020	2019	2018	2017	2016
General Fund:					
Nonspendable	\$ 46,026	\$ 47,309	\$ 61,378	\$ 59,626	\$ 64,166
Restricted	3,389,316	1,389,540	1,159,544	835,483	890,206
Committed	45,460	35,352	38,294	388,030	250,021
Assigned	12,923	15,472	11,572	9,088	9,989
Unassigned	532,328	1,607,072	882,313	4,895	(120,451)
Total General Fund	<u>\$ 4,026,053</u>	<u>\$ 3,094,745</u>	<u>\$ 2,153,101</u>	<u>\$ 1,297,122</u>	<u>\$ 1,093,931</u>
All Other Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	26,933,416	26,689,046	24,609,102	22,503,741	20,783,582
Committed	-	-	514	1,959	11,315
Assigned	41	150	-	-	-
Unassigned (Deficit)	(6,817)	(3)	9,553	(3,329)	(9,342)
Total All Other Governmental Funds	<u>\$ 26,926,640</u>	<u>\$ 26,689,193</u>	<u>\$ 24,619,169</u>	<u>\$ 22,502,371</u>	<u>\$ 20,785,555</u>
All Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	\$ 46,026	\$ 47,309	\$ 61,378	\$ 59,626	\$ 64,166
Restricted	30,322,732	28,078,586	25,768,646	23,339,224	21,673,788
Committed	45,460	35,352	38,808	389,989	261,336
Assigned	12,964	15,622	11,572	9,088	9,989
Unassigned (Deficit)	525,513	1,607,069	891,866	1,566	(129,793)
Total All Governmental Funds	<u>\$ 30,952,693</u>	<u>\$ 29,783,938</u>	<u>\$ 26,772,270</u>	<u>\$ 23,799,493</u>	<u>\$ 21,879,486</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
REVENUES					
Taxes	\$ 13,500,383	\$ 13,092,599	\$ 12,697,561	\$ 11,163,043	\$ 8,020,634
Federal	11,967,152	11,747,878	12,502,598	11,913,097	11,028,954
Interest and Other Investment Income (Loss)	6,539,600	4,484,509	2,873,705	(1,531,551)	6,671,007
Rentals and Royalties	5,362,116	5,353,935	5,936,951	4,671,215	2,064,447
Charges for Services	201,008	223,685	209,754	193,778	177,892
Licenses, Fees, and Permits	414,951	419,525	366,838	348,939	338,765
Assessments *	304,547	55,507	52,420	47,430	43,215
Other Revenues	454,548	798,153	614,101	251,044	285,083
Total Revenues	<u>38,744,305</u>	<u>36,175,791</u>	<u>35,253,928</u>	<u>27,056,995</u>	<u>28,629,997</u>
EXPENDITURES					
Current:					
Culture, Recreation, and Natural Resources	552,464	725,548	252,798	321,970	263,873
Education	5,972,434	6,046,229	5,238,143	4,441,370	3,995,767
General Control	1,236,367	1,278,570	1,161,992	828,625	1,546,468
Health and Human Services	13,762,158	13,114,581	12,952,559	12,395,672	10,880,703
Highways and Transportation	1,531,727	812,994	739,070	585,769	519,970
Judicial	513,625	436,783	393,753	372,489	345,789
Legislative	55,760	38,180	34,604	28,171	26,532
Public Safety	1,177,652	914,254	761,757	646,520	557,020
Regulation and Licensing	287,051	331,806	321,085	165,249	437,354
Capital Outlay	1,016,156	958,735	872,681	792,061	649,771
Debt Service:					
Principal	424,814	2,017,301	1,461,940	858,409	730,374
Interest	118,326	137,487	126,590	119,189	94,305
Total Expenditures	<u>26,648,534</u>	<u>26,812,468</u>	<u>24,316,972</u>	<u>21,555,494</u>	<u>20,047,926</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,095,771	9,363,323	10,936,956	5,501,501	8,582,071
OTHER FINANCING SOURCES (USES)					
Bonds Issued	570,368	1,505,715	1,539,199	964,189	974,808
Bond Premium	30,814	-	59,060	100,393	130,009
Refunding Bond Issue	-	-	-	51,777	107,346
Proceeds from the Sale of Capital Assets	4,839	4,999	1,926	3,307	1,057
Operating Transfers In	8,339,707	12,552,125	5,878,981	5,292,395	3,095,754
Operating Transfers Out	(10,121,310)	(14,135,705)	(7,326,274)	(6,206,988)	(4,016,147)
Payment to Refunded Bond Escrow Agent	-	-	-	(51,981)	(113,803)
Miscellaneous Other Financing Sources (Uses)	73,890	89,438	87,120	111,735	-
Total Other Financing Sources (Uses)	<u>(1,101,692)</u>	<u>16,572</u>	<u>240,012</u>	<u>264,827</u>	<u>179,024</u>
SPECIAL ITEM					
Reduction of Loss Contingency	-	-	-	-	-
Native American Water Rights Settlement	-	-	-	-	-
Arizona Water Settlement	-	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other Financing Sources (Uses) and Special Items	<u>(1,101,692)</u>	<u>16,572</u>	<u>240,012</u>	<u>264,827</u>	<u>179,024</u>
NET CHANGE IN FUND BALANCES	<u>\$ 10,994,079</u>	<u>\$ 9,379,895</u>	<u>\$ 11,176,968</u>	<u>\$ 5,766,328</u>	<u>\$ 8,761,095</u>
Debt Service as a Percentage of Noncapital Expenditures	2.1%	8.3%	6.8%	4.7%	4.3%

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

	Fiscal Year				
	2020	2019	2018	2017 as Restated	2016
REVENUES					
Taxes	\$ 7,402,984	\$ 7,096,167	\$ 6,401,737	\$ 5,472,102	\$ 5,197,084
Federal	8,207,807	6,734,473	6,848,354	6,595,840	6,856,707
Interest and Other Investment Income (Loss)	311,027	1,402,273	1,948,254	2,540,517	912,262
Rentals and Royalties	1,871,338	2,246,843	1,403,151	1,002,692	888,424
Charges for Services	165,893	168,392	173,087	164,565	119,509
Licenses, Fees, and Permits	310,474	318,456	319,293	294,482	307,532
Assessments *	46,289	14,983	12,803	13,820	14,389
Other Revenues	321,663	388,654	257,393	781,248	633,628
Total Revenues	<u>18,637,475</u>	<u>18,370,240</u>	<u>17,364,072</u>	<u>16,865,266</u>	<u>14,929,535</u>
EXPENDITURES					
Current:					
Culture, Recreation, and Natural Resources	271,368	243,938	228,675	230,478	223,328
Education	3,926,195	3,480,930	3,166,486	3,285,298	3,554,249
General Control	414,139	467,422	550,302	981,271	1,600,674
Health and Human Services	9,408,746	7,855,655	7,975,718	7,737,341	7,996,609
Highways and Transportation	556,756	503,931	420,625	448,401	740,977
Judicial	347,330	325,644	300,587	298,224	306,727
Legislative	25,855	27,331	23,992	26,725	23,022
Public Safety	574,944	540,565	515,112	535,834	482,558
Regulation and Licensing	200,198	188,274	169,142	116,252	111,747
Capital Outlay	543,938	487,503	405,338	352,204	118,018
Debt Service:					
Principal	892,163	567,644	382,549	298,168	282,120
Interest	114,062	120,424	190,182	123,810	109,886
Total Expenditures	<u>17,275,695</u>	<u>14,809,261</u>	<u>14,328,708</u>	<u>14,434,007</u>	<u>15,549,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,361,780	3,560,979	3,035,364	2,431,259	(620,380)
OTHER FINANCING SOURCES (USES)					
Bonds Issued	701,709	310,118	539,370	45,815	474,018
Bond Premium	17,947	7,170	154,128	5,463	82,239
Refunding Bond Issue	-	-	420,096	-	181,395
Proceeds from the Sale of Capital Assets	1,836	1,577	1,751	1,226	1,803
Operating Transfers In	1,502,549	2,172,675	8,604,858	8,030,490	7,182,543
Operating Transfers Out	(2,449,323)	(3,019,190)	(9,336,219)	(8,739,680)	(7,918,883)
Payment to Refunded Bond Escrow Agent	-	-	(450,865)	-	(208,143)
Miscellaneous Other Financing Sources (Uses)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(225,282)</u>	<u>(527,650)</u>	<u>(66,881)</u>	<u>(656,687)</u>	<u>(205,028)</u>
SPECIAL ITEM					
Reduction of Loss Contingency	-	-	-	-	-
Native American Water Rights Settlement	-	-	-	-	(12,436)
Arizona Water Settlement	-	-	-	-	(9,040)
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,476)</u>
Total other Financing Sources (Uses) and Special Items	<u>(225,282)</u>	<u>(527,650)</u>	<u>(66,881)</u>	<u>(656,687)</u>	<u>(226,504)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,136,498</u>	<u>\$ 3,033,329</u>	<u>\$ 2,968,483</u>	<u>\$ 1,774,572</u>	<u>\$ (846,884)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.8%	4.8%	4.1%	3.0%	2.5%

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

	Fiscal Year				
	2025	2024	2023 as Restated	2022 as Restated	2021 as Restated
REVENUES					
Taxes and License Fees:					
General and Selective Sales Taxes:					
Gross Receipts	\$ 4,298,116	\$ 4,048,573	\$ 3,954,164	\$ 3,424,014	\$ 2,799,239
Compensating	85,294	83,157	93,866	63,139	63,893
Tobacco (Luxury)	69,754	71,109	81,140	82,813	90,529
Alcoholic Beverage	23,821	24,026	24,485	25,023	24,575
Insurance	453,917	369,989	390,850	320,850	292,664
Fire Protection	-	-	-	-	-
Racing	-	-	-	-	-
Private Car	-	-	-	999	762
Motor Vehicle and Other Excise Tax	174,133	167,257	164,724	155,261	174,061
Gaming Tax	67,865	67,722	72,062	68,365	24,655
Leased Vehicles Gross Receipts and Surcharge	4,189	3,951	3,709	3,286	3,099
Gasoline Tax	663	5,570	739	2,547	851
Telecommunications Relay Surcharge	(28)	50	13	95	203
Boat Excise Tax	404	417	368	360	441
Total General and Selective Sales Tax	<u>5,178,128</u>	<u>4,841,821</u>	<u>4,786,120</u>	<u>4,146,752</u>	<u>3,474,972</u>
Income Taxes:					
Gross Withholding	91,384	122,656	183,429	198,996	159,802
Final Settlements	2,049,249	2,034,742	1,507,614	1,194,645	1,643,503
Less:					
Transfer - Retiree Health Care	-	-	-	-	-
Transfer - PIT Suspense and Others	-	-	-	-	-
Net Personal Income Taxes	<u>2,140,633</u>	<u>2,157,398</u>	<u>1,691,043</u>	<u>1,393,641</u>	<u>1,803,304</u>
Corporate Taxes	782,470	627,150	439,140	343,853	149,666
Estate Taxes	-	-	-	-	-
Fiduciary Taxes	2,453	35,815	-	34,979	3,107
Total Income Taxes	<u>2,925,555</u>	<u>2,820,362</u>	<u>2,130,182</u>	<u>1,772,471</u>	<u>1,956,077</u>
Severance Taxes:					
Oil and Gas School Tax	1,832,590	1,810,562	1,987,797	1,865,805	763,113
7% Oil Conservation	102,905	106,204	109,966	99,655	39,597
Resources Excise	8,468	7,865	9,200	8,716	6,751
Natural Gas Processors	29,039	53,519	35,120	10,195	10,504
Total Severance Taxes	<u>1,973,002</u>	<u>1,978,150</u>	<u>2,142,083</u>	<u>1,984,370</u>	<u>819,965</u>
Total Taxes	10,076,685	9,640,333	9,058,385	7,903,594	6,251,014
License Fees:					
Manufactured Housing	-	-	-	-	-
Trade and Professions License	9,590	11,122	26,128	-	-
Corporate Filing	5,520	5,315	4,400	5,103	4,278
Alcoholic Beverages and Gaming	-	-	456	-	-
Financial Institutions	-	-	-	-	-
Corporate Special	-	-	-	-	-
Construction Industries	-	-	(1)	(1)	-
Gaming License and Permit Fees	433	300	1,087	345	299
Securities Receipts	-	-	-	-	-
Public Utilities	16,314	15,773	17,051	15,545	17,067
Pipeline Fees	420	407	202	306	164
Motor Vehicles Miscellaneous Fees	-	-	-	(1,115)	368
MVD Penalty Assessments	1,265	448	556	3,600	3,323
Total License Fees	<u>33,544</u>	<u>33,367</u>	<u>49,881</u>	<u>23,785</u>	<u>25,499</u>
Total Taxes and License Fees	10,110,229	9,673,700	9,108,266	7,927,379	7,929,094

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

	Fiscal Year				
	2020 as Restated	2019 as Restated	2018 as Restated	2017 as Restated	2016
REVENUES					
Taxes and License Fees:					
General and Selective Sales Taxes:					
Gross Receipts	\$ 2,942,128	\$ 2,669,415	\$ 2,381,082	\$ 2,013,548	\$ 1,975,416
Compensating	63,578	78,380	56,102	48,529	46,882
Tobacco (Luxury)	88,809	75,424	78,368	77,887	79,819
Alcoholic Beverage	24,610	25,295	23,811	7,376	6,732
Insurance	259,170	216,347	213,597	227,464	207,904
Fire Protection	-	-	1,020	-	15,069
Racing	-	765	1,084	1,096	1,130
Private Car	552	931	860	663	703
Motor Vehicle and Other Excise Tax	137,769	152,523	154,008	145,238	150,395
Gaming Tax	46,005	64,886	62,054	59,523	63,050
Leased Vehicles Gross Receipts and Surcharge	4,711	5,727	5,528	5,489	5,536
Gasoline Tax	596	971	358	(380)	867
Telecommunications Relay Surcharge	113	66	58	59	69
Boat Excise Tax	290	282	347	325	195
Total General and Selective Sales Tax	3,568,332	3,291,012	2,978,277	2,586,817	2,553,767
Income Taxes:					
Gross Withholding	100,329	166,318	923,665	872,299	1,200,151
Final Settlements	1,577,189	1,500,831	614,620	504,741	508,566
Less:					
Transfer - Retiree Health Care	-	-	(26,507)	-	(29,519)
Transfer - PIT Suspense and Others	-	-	-	-	(359,043)
Net Personal Income Taxes	1,677,518	1,667,149	1,511,778	1,377,040	1,320,155
Corporate Taxes	63,198	22,808	106,601	70,156	118,502
Estate Taxes	-	-	-	-	1
Fiduciary Taxes	14,343	4,865	7,180	3,635	7,053
Total Income Taxes	1,755,060	1,694,822	1,625,559	1,450,831	1,445,711
Severance Taxes:					
Oil and Gas School Tax	388,671	555,356	450,787	304,262	236,818
7% Oil Conservation	29,510	28,702	22,885	17,368	11,375
Resources Excise	7,148	7,834	8,569	9,649	11,203
Natural Gas Processors	14,764	15,125	10,841	10,307	20,354
Total Severance Taxes	440,093	607,017	493,082	341,586	279,750
Total Taxes	5,763,485	5,592,851	5,096,918	4,379,234	4,279,228
License Fees:					
Manufactured Housing	70	462	432	419	375
Trade and Professions License	23,457	-	-	-	-
Corporate Filing	4,176	3,881	4,042	3,437	3,327
Alcoholic Beverages and Gaming	-	4,960	4,075	4,186	4,028
Financial Institutions	3,396	3,747	3,564	3,480	3,455
Corporate Special	-	-	-	2,984	2,955
Construction Industries	4,890	4,909	5,543	4,700	6,092
Gaming License and Permit Fees	313	373	6,365	577	353
Securities Receipts	2,531	22,340	22,267	22,399	22,016
Public Utilities	11,464	14,493	14,538	11,021	12,040
Pipeline Fees	170	242	207	137	153
Motor Vehicles Miscellaneous Fees	228	596	401	-	20
MVD Penalty Assessments	3,771	4,484	4,632	4,271	4,009
Total License Fees	54,464	60,487	66,066	57,611	58,823
Total Taxes and License Fees	6,305,477	5,823,972	5,658,917	5,154,529	4,438,057

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

	Fiscal Year				
	2025	2024	2023 as Restated	2022 as Restated	2021 as Restated
OTHER REVENUE SOURCES					
Investment Income:					
State Land Grant Permanent Fund Income	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on State Balances	408,969	390,495	181,378	(118,318)	5,348
Severance Tax Permanent Fund Earnings	-	-	-	-	-
Total Interest Earnings	<u>408,969</u>	<u>390,495</u>	<u>181,378</u>	<u>(118,318)</u>	<u>5,348</u>
Rents and Royalties:					
Federal Mineral Leasing	2,786,403	2,824,709	3,192,349	2,256,717	811,496
Land Office	-	-	-	-	-
Tribal Revenue Sharing	<u>85,304</u>	<u>83,597</u>	<u>78,163</u>	<u>71,434</u>	<u>48,166</u>
Total Rents and Royalties	<u>2,871,707</u>	<u>2,908,306</u>	<u>3,270,512</u>	<u>2,328,151</u>	<u>859,662</u>
Miscellaneous Receipts and Fees:					
Environment Department Filing Fees	17,116	30,912	996	5,370	1,847
Administrative Fees	-	-	-	-	2,728
Media Lease Payments	-	-	-	-	-
Fines and Forfeitures	3,550	2,744	2,879	2,717	2,528
Birth and Death Certificates	-	-	-	1,203	1,232
District Judge Receipts	5,020	1,077	978	812	893
Notary Public Fees	4,371	932	923	(168)	653
Legislative Receipts	-	-	-	-	591
Workmen's Compensation Fees	616	388	660	578	751
Health Care Quality Surcharge	(58)	351	-	36	78
Law Enforcement Protection	-	-	-	-	-
Small County Assistance	-	-	-	-	-
Supreme Court Fees	-	-	-	-	-
Unclaimed Property	67,626	37,931	36,587	27,111	29,481
Restitution Payments	<u>2,369</u>	<u>4,262</u>	<u>(403)</u>	<u>291</u>	<u>251</u>
Total Miscellaneous Receipts and Fees	<u>100,610</u>	<u>78,597</u>	<u>42,620</u>	<u>37,949</u>	<u>41,034</u>
Other Revenues:					
Miscellaneous Nonrecurring	-	22	30	22	482
Transfers - Reversions	-	-	-	-	-
Total Other Revenues	<u>-</u>	<u>22</u>	<u>30</u>	<u>22</u>	<u>482</u>
Total Other Revenue Sources	<u>3,381,286</u>	<u>3,377,420</u>	<u>3,494,540</u>	<u>2,247,804</u>	<u>2,251,347</u>
Total Revenues	<u>\$ 13,491,514</u>	<u>\$ 13,051,119</u>	<u>\$ 12,602,805</u>	<u>\$ 10,175,182</u>	<u>\$ 10,178,725</u>

Source: General Fund Financial Audit (30600) - Schedule of Revenue by Source
Department of Finance and Administration General Fund Report

Alcohol is down due to sending a portion to the lottery scholarship fund

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

	Fiscal Year				
	2020 as Restated	2019 as Restated	2018 as Restated	2017 as Restated	2016
OTHER REVENUE SOURCES					
Investment Income:					
State Land Grant Permanent Fund Income	\$ -	\$ -	\$ -	\$ -	\$ 555,103
Earnings on State Balances	91,751	86,880	5,945	(3,230)	25,224
Severance Tax Permanent Fund Earnings	-	-	-	-	193,510
Total Interest Earnings	<u>91,751</u>	<u>86,880</u>	<u>5,945</u>	<u>(3,230)</u>	<u>773,837</u>
Rents and Royalties:					
Federal Mineral Leasing	817,116	1,146,800	564,232	435,692	47,817
Land Office	69,858	132,454	111,845	71,490	390,005
Tribal Revenue Sharing	51,677	78,430	68,092	62,717	64,413
Total Rents and Royalties	<u>938,651</u>	<u>1,357,684</u>	<u>744,169</u>	<u>569,899</u>	<u>502,235</u>
Miscellaneous Receipts and Fees:					
Environment Department Filing Fees	677	1,082	1,260	747	1,241
Administrative Fees	-	-	-	-	-
Media Lease Payments	-	-	-	22	18
Fines and Forfeitures	3,107	3,563	3,932	4,241	4,514
Birth and Death Certificates	1,192	1,175	1,260	1,184	1,043
District Judge Receipts	1,010	1,095	1,146	1,096	947
Notary Public Fees	46	683	658	743	984
Legislative Receipts	9	22	13	26	14
Workmen's Compensation Fees	884	699	390	7	3
Health Care Quality Surcharge	1,096	-	-	-	-
Law Enforcement Protection	-	-	-	-	15,297
Small County Assistance	-	-	-	-	11
Supreme Court Fees	-	1	1	1	1
Unclaimed Property	15,565	28,089	20,113	23,030	19,789
Restitution Payments	204	91	42	176	201
Total Miscellaneous Receipts and Fees	<u>23,790</u>	<u>36,499</u>	<u>28,815</u>	<u>31,273</u>	<u>44,063</u>
Other Revenues:					
Miscellaneous Nonrecurring	219	138	173	970	39,616
Transfers - Reversions	-	-	-	366,208	56,367
Total Other Revenues	<u>219</u>	<u>138</u>	<u>173</u>	<u>367,178</u>	<u>95,983</u>
Total Other Revenue Sources	<u>889,020</u>	<u>1,067,039</u>	<u>1,473,552</u>	<u>1,148,565</u>	<u>706,714</u>
Total Revenues	<u>\$ 8,818,114</u>	<u>\$ 7,372,516</u>	<u>\$ 7,297,524</u>	<u>\$ 6,807,482</u>	<u>\$ 5,861,243</u>

**STATE OF NEW MEXICO
REVENUE BASE
LAST TEN CALENDAR YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Taxable Gross Receipts (in Thousands):					
Agriculture, Forestry, and Fishing	\$ 222,900	\$ 222,213	\$ 124,523	\$ 251,871	\$ 124,832
Mining	8,938,850	11,600,049	11,073,103	7,969,653	3,883,084
Construction	10,446,601	12,739,548	11,100,617	9,027,400	6,612,931
Manufacturing	2,984,963	3,695,215	3,147,379	3,649,339	1,549,363
Transportation	1,248,363	1,641,185	1,537,645	1,499,545	846,609
Communications and Utilities	2,555,491	3,035,958	3,235,541	4,589,831	3,723,750
Wholesale Trade	3,617,597	4,526,408	4,507,202	2,290,375	2,211,281
Retail Trade	15,336,418	20,289,023	19,520,364	17,011,431	11,334,814
Finance, Insurance, and Real Estate	443,905	3,264,226	2,945,664	2,511,559	1,677,853
Services and Other	5,772,620	7,289,089	6,488,255	27,328,590	19,425,400
Public Administration	80,984	101,573	52,116	27,645	535,586
Total Taxable Gross Receipts	\$ 51,648,692	\$ 68,404,487	\$ 63,732,409	\$ 76,157,239	\$ 51,925,503
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	\$ 4,020	\$ 3,750	\$ 4,103	\$ 3,605
Federal Military	1,853	1,853	1,708	1,836	1,556
State and Local Government	12,176	12,176	11,454	13,522	10,572
Farm Earnings	1,062	1,062	884	1,527	1,227
Forestry, Fishing, and Related Activities	182	182	159	181	176
Mining	3,853	3,853	2,962	4,109	2,104
Utilities	548	548	559	842	566
Construction	4,895	4,895	3,926	4,132	3,981
Manufacturing	2,688	2,688	2,466	3,123	2,212
Wholesale Trade	1,881	1,881	1,744	1,856	1,533
Retail	4,490	4,490	4,361	5,632	4,048
Transportation and Warehousing	2,396	2,396	2,151	2,632	1,821
Information	1,074	1,074	1,056	1,863	875
Financial, Insurance, Real Estate, Rental, and Leasing	4,528	4,528	4,334	3,696	3,325
Services	20,164	20,164	332	24,562	22,874
Other ¹	51,020	51,020	58,985	47,233	41,089
Total Personal Income	\$ 116,830	\$ 116,830	\$ 100,831	\$ 120,849	\$ 101,564
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				
	2020	2019	2018	2017	2016
Taxable Gross Receipts (in Thousands):					
Agriculture, Forestry, and Fishing	\$ 175,237	\$ 126,252	\$ 126,940	\$ 111,430	\$ 106,156
Mining	7,310,833	6,815,136	4,834,724	2,213,846	2,328,158
Construction	10,989,995	8,027,002	7,428,957	6,312,982	6,537,914
Manufacturing	2,306,998	2,084,012	1,617,171	1,315,416	1,607,798
Transportation	1,187,865	1,175,605	836,920	571,482	668,207
Communications and Utilities	6,120,717	5,384,324	5,161,295	4,673,015	5,281,589
Wholesale Trade	3,648,654	3,529,917	2,698,455	1,786,231	2,030,984
Retail Trade	16,425,084	14,780,421	13,041,456	11,045,865	12,063,308
Finance, Insurance, and Real Estate	2,582,843	2,338,187	2,032,733	1,559,574	1,613,419
Services and Other	30,267,240	26,756,441	22,338,845	17,675,223	19,824,081
Public Administration	883,472	901,867	425,736	587,747	665,833
Total Taxable Gross Receipts	\$ 81,898,938	\$ 71,919,164	\$ 60,543,232	\$ 47,852,811	\$ 52,727,447
State Gross Receipts Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%
Personal Income by Industry (in Millions):					
Federal Civilian	\$ 3,397	\$ 3,335	\$ 3,373	\$ 3,220	\$ 3,103
Federal Military	1,459	1,398	1,323	1,321	1,265
State and Local Government	10,470	9,976	9,596	9,379	9,836
Farm Earnings	1,036	767	793	889	664
Forestry, Fishing, and Related Activities	170	169	163	170	142
Mining	2,656	3,013	2,638	2,532	2,393
Utilities	522	511	490	490	533
Construction	4,001	3,659	3,474	3,368	3,146
Manufacturing	2,210	1,868	1,717	1,372	1,606
Wholesale Trade	1,569	1,538	1,456	1,517	1,491
Retail	3,669	3,599	3,549	3,667	3,670
Transportation and Warehousing	1,858	1,713	1,578	1,550	1,503
Information	829	914	845	812	859
Financial, Insurance, Real Estate, Rental, and Leasing	3,094	2,855	2,721	2,732	2,652
Services	21,959	21,462	20,359	19,782	19,465
Other ¹	35,532	32,843	30,596	27,992	28,063
Total Personal Income	\$ 94,431	\$ 89,620	\$ 84,671	\$ 80,793	\$ 80,391
Highest Income Tax Rate	4.9%	4.9%	4.9%	4.9%	4.9%

STATE OF NEW MEXICO
REVENUE PAYERS BY INDUSTRY – TAXABLE SALES, SERVICES, AND USE TAX PURCHASES
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON
(IN THOUSANDS)

	Fiscal Year 2025				Calendar Year 2017			
	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	8,194	0.4%	\$ 222,213	0.3%	4,086	0.4%	\$ 54,047	0.1%
Mining	18,066	1.0%	11,600,049	17.1%	9,752	1.0%	2,998,455	7.7%
Construction	124,938	6.6%	12,739,548	18.8%	101,298	10.6%	4,257,409	10.9%
Manufacturing	242,832	12.8%	3,695,216	5.5%	42,542	4.4%	1,607,519	4.1%
Transportation	24,668	1.3%	1,641,185	2.4%	13,402	1.4%	543,996	1.4%
Communications and Utilities	11,047	0.6%	5,108,219	7.5%	7,309	0.8%	1,908,054	4.9%
Wholesale Trade	264,479	14.0%	4,526,408	6.7%	53,838	5.6%	1,790,115	4.6%
Retail Trade	964,805	50.9%	20,289,023	29.8%	198,243	20.7%	9,268,342	23.7%
Finance, Insurance, and Real Estate	26,415	1.4%	556,420	0.8%	46,800	4.9%	1,106,612	2.8%
Services and Other	207,162	10.9%	7,289,089	10.7%	479,048	50.1%	15,112,166	38.7%
Public Administration	2,952	0.2%	101,573	0.1%	1,922	0.2%	378,243	1.0%
Total Number of Outlets and Total Taxable Gross Revenues	1,895,558	100.1%	\$ 67,768,943	99.7%	958,240	100.1%	\$ 39,024,958	99.9%
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 2025 New Mexico State Annual Financial Report, the 2023, 2024 and 2025 tax year was unavailable.

Source: United States Department of the Treasury, Internal Revenue Service.

**STATE OF NEW MEXICO
PERSONAL INCOME TAX RATES
LAST TEN FISCAL YEARS**

Year	Top Tax Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of			Average Effective Rate, As Restated
		Single	Married Filing Jointly	Head of Household	
2025	4.9%	\$ 210,000	\$ 157,500	\$ 315,000	N/A
2024	4.9%	210,000	157,500	315,000	N/A
2023	4.9%	210,000	157,500	315,000	N/A
2022	4.9%	210,000	157,500	315,000	N/A
2021	4.9%	210,000	157,500	315,000	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

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				
	2025	2024	2023	2022	2021 as Restated
Governmental Activities:					
General Obligation	\$ 558,775	\$ 447,170	\$ 541,270	\$ 414,365	\$ 505,295
Severance Tax Bonds	1,159,855	1,091,095	1,268,165	1,110,570	964,035
Revenue Bonds	634,959	737,705	892,555	1,053,950	958,018
Bond Premium, Discount, Net *	217,042	243,886	196,781	318,871	292,066
Lease Liabilities**	529,797	536,710	529,058	436,734	-
Total Governmental Activities	3,100,428	3,056,566	3,427,829	3,334,490	2,719,414
Business-Type Activities*:					
General Obligation	16,770	18,275	720	1,260	2,130
Revenue Bonds	574,078	605,283	706,907	736,312	788,814
Bond Premium, Discount, Net*	21,546	23,944	-	23,788	28,564
Lease Liabilities**	37,379	55,587	-	54,106	173
Total Primary Government	633,003	684,814	706,907	814,207	817,551
Total Debt	\$ 3,733,431	\$ 3,741,380	\$ 4,134,736	\$ 4,148,697	\$ 3,536,965
New Mexico Personal Income	\$ 123,207,200	\$ 123,207,200	\$ 103,237,501	\$ 103,237,501	\$ 102,375,900
Debt as a Percentage of Personal Income	3.0%	3.0%	4.0%	4.0%	3.5%
New Mexico Population	2,130	2,130	2,113	2,113	2,116
General Obligation Debt Per Capita	\$ 262	\$ 210	\$ 256	\$ 196	\$ 239
Total Long-Term Debt Per Capita	\$ 1,753	\$ 1,757	\$ 1,956	\$ 1,963	\$ 1,672

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				
	2020 as Restated	2019 as Restated	2018 as Restated	2017 as Restated	2016 as Restated
Governmental Activities:					
General Obligation	\$ 421,700	\$ 350,925	\$ 260,760	\$ 260,760	\$ 389,270
Severance Tax Bonds	680,245	814,370	876,115	876,115	641,415
Revenue Bonds	1,094,670	1,221,323	1,367,542	1,367,542	1,558,689
Bond Premium, Discount, Net *	223,793	257,989	237,638	237,638	257,935
Lease Liabilities**	-	-	-	-	-
Total Governmental Activities	<u>2,420,407</u>	<u>2,644,607</u>	<u>2,742,055</u>	<u>2,742,055</u>	<u>2,847,309</u>
Business-Type Activities*:					
General Obligation	-	-	-	-	-
Revenue Bonds	823,419	865,272	869,404	869,404	763,824
Bond Premium, Discount, Net*	39,278	41,791	46,147	43,961	42,649
Lease Liabilities**	546	938	1,054	1,054	1,502
Total Primary Government	<u>863,243</u>	<u>908,001</u>	<u>916,605</u>	<u>914,419</u>	<u>807,975</u>
Total Debt	<u>\$ 3,283,651</u>	<u>\$ 3,552,608</u>	<u>\$ 3,658,660</u>	<u>\$ 3,656,474</u>	<u>\$ 3,655,284</u>
 New Mexico Personal Income	 \$ 101,386,400	 \$ 86,328,400	 \$ 81,483,543	 \$ 81,483,543	 \$ 79,104,093
Debt as a Percentage of Personal Income	3.2%	4.1%	4.5%	4.5%	4.6%
New Mexico Population	2,101	2,095	2,088	2,088	2,080
General Obligation Debt Per Capita	\$ 201	\$ 167	\$ 125	\$ 125	\$ 187
Total Long-Term Debt Per Capita	\$ 1,563	\$ 1,675	\$ 1,752	\$ 1,751	\$ 1,757

**STATE OF NEW MEXICO
LONG TERM LIABILITIES
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental Activities:					
General Obligation Bonds	\$ 558,775	\$ 447,170	\$ 541,270	\$ 414,365	\$ 505,295
Severance Tax Bonds	1,159,855	1,091,095	1,268,165	1,110,570	964,035
Revenue Bonds	634,959	737,705	908,875	1,053,950	958,018
Bond Premium, Discount, Net *	217,042	243,886	309,549	318,871	292,066
Notes Payable	-	-	-	-	-
Deferred Loss on Refunding, Net *	-	-	-	-	-
Claims and Judgments	516,519	478,005	235,940	206,032	167,336
Hedging Derivatives - Interest Rate Swaps	-	-	-	-	-
Native American Water Settlement Liability **	18,253	23,753	46,757	51,291	70,543
Contingent Liabilities	42,285	29,792	-	20,900	-
Compensated Absences	208,369	110,423	101,383	97,508	94,674
Pollution Remediation Obligation	65,684	58,336	53,733	41,608	41,067
Net Pension Liability	4,627,961	4,177,698	3,960,251	3,043,770	3,953,370
Net OPEB Liability	424,872	399,639	543,772	782,224	994,857
Reserve for Losses	-	-	-	-	-
Lease Liabilities	529,797	536,710	529,020	436,734	-
Other Liabilities	67,157	51,948	17,090	550,945	648,370
Total Governmental Activities	<u>9,071,529</u>	<u>8,386,161</u>	<u>8,515,806</u>	<u>8,128,768</u>	<u>8,689,631</u>
Business-Type Activities:					
Revenue Bonds	590,848	623,558	672,469	736,314	788,814
Bond Premium, Discount, Net *	21,546	23,944	27,257	23,785	28,568
Compensated Absences	168,762	116,897	112,446	107,556	113,414
Reserve for Losses	146,580	131,615	110,900	104,813	107,531
Notes Payable	6,965	9,550	11,993	8,235	9,325
Insurance Claims Payable	16,686	12,193	8,151	11,651	5,662
Net OPEB Obligation	335,996	366,503	370,945	397,667	424,370
Derivative Instruments - Interest Rate Swaps	475	563	1,059	2,129	6,001
Student Loans	8,988	7,691	8,421	9,433	11,371
Environmental Cleanup	5,434	5,434	5,434	5,434	5,434
Net Pension Liability	2,353,228	2,313,867	2,301,724	1,982,851	5,511,724
Lease Liabilities	37,379	55,587	66,109	54,106	173
Other Liabilities	474,703	409,306	322,564	207,474	198,810
Total Business-Type Activities	<u>4,167,588</u>	<u>4,076,706</u>	<u>4,019,470</u>	<u>3,651,448</u>	<u>7,211,197</u>
Total Primary Government Long-Term Liabilities	<u>\$ 13,239,117</u>	<u>\$ 12,462,867</u>	<u>\$ 12,535,276</u>	<u>\$ 11,780,216</u>	<u>\$ 15,900,828</u>

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				
	2020	2019	2018 As Restated	2017	2016 As Restated
Governmental Activities:					
General Obligation Bonds	\$ 421,700	\$ 350,925	\$ 260,760	\$ 326,755	\$ 429,764
Severance Tax Bonds	680,245	814,370	876,115	955,045	641,415
Revenue Bonds	1,094,669	1,221,323	1,367,542	1,281,950	1,423,069
Bond Premium, Discount, Net *	223,794	257,988	200,994	279,305	217,441
Notes Payable	-	1,250	-	14,000	5,755
Deferred Loss on Refunding, Net *	-	-	-	-	100,167
Claims and Judgments	152,392	166,593	180,149	195,471	100,461
Hedging Derivatives - Interest Rate Swaps	-	-	84,090	119,015	100,167
Native American Water Settlement Liability **	91,543	69,706	60,850	62,100	287,910
Contingent Liabilities	22	29,516	3,678	20,051	-
Compensated Absences	83,605	68,795	63,982	64,051	58,112
Pollution Remediation Obligation	41,666	27,457	42,651	44,278	287,910
Net Pension Liability	3,429,456	3,341,570	3,264,743	2,299,659	1,843,467
Net OPEB Liability	774,289	1,035,068	-	-	-
Reserve for Losses	-	-	-	-	-
Lease Liabilities	-	-	51,690	53,045	53,199
Other Liabilities	578,826	451,647	-	-	52,307
Total Governmental Activities	7,572,207	7,836,208	6,457,243	5,714,725	5,601,144
Business-Type Activities:					
Revenue Bonds	823,419	865,272	899,736	653,372	695,552
Bond Premium, Discount, Net *	39,279	41,791	43,960	42,649	31,519
Compensated Absences	99,083	87,588	86,356	84,906	20,853
Reserve for Losses	101,940	98,169	89,501	87,453	-
Notes Payable	13,506	11,285	12,985	14,051	-
Insurance Claims Payable	9,953	-	-	-	-
Net OPEB Obligation	385,030	432,298	67,969	61,333	-
Derivative Instruments - Interest Rate Swaps	8,375	7,186	8,604	13,350	-
Student Loans	12,069	15,060	15,726	18,592	-
Environmental Cleanup	5,434	5,434	5,434	5,434	-
Net Pension Liability	2,188,285	3,485,718	2,125,341	1,913,152	-
Lease Liabilities	546	938	1,054	1,308	1,023
Other Liabilities	174,049	56,714	11,076	-	56,579
Total Business-Type Activities	3,860,969	5,107,453	3,367,742	2,895,600	805,526
Total Primary Government Long-Term Liabilities	\$ 11,433,175	\$ 12,943,661	\$ 9,824,984	\$ 8,610,325	\$ 6,406,670

**STATE OF NEW MEXICO
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Net Taxable Value of Property Subject to Taxation	\$ 134,094,781	\$ 108,183,361	\$ 88,517,562	\$ 88,883,819	\$ 70,313,555
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	<u>1,340,948</u>	<u>1,081,834</u>	<u>885,176</u>	<u>888,838</u>	<u>703,136</u>
General Obligation Bonds	390,059	309,913	541,220	414,365	505,295
Total General Debt Outstanding	<u>390,059</u>	<u>309,913</u>	<u>541,220</u>	<u>414,365</u>	<u>505,295</u>
Legal Debt Margin	<u>\$ 950,889</u>	<u>\$ 771,921</u>	<u>\$ 343,956</u>	<u>\$ 474,473</u>	<u>\$ 197,841</u>
Legal Debt Margin as a Percentage of the Debt Limit	70.9%	71.4%	38.9%	53.4%	28.1%

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				
	2020	2019	2018	2017 As Restated	2016
Net Taxable Value of Property Subject to Taxation	\$ 70,648,048	\$ 66,919,238	\$ 60,698,949	\$ 57,451,756	\$ 56,625,171
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	<u>706,480</u>	<u>669,192</u>	<u>606,989</u>	<u>574,518</u>	<u>566,252</u>
General Obligation Bonds	<u>260,760</u>	<u>326,755</u>	<u>389,270</u>	<u>311,270</u>	<u>372,700</u>
Total General Debt Outstanding	<u>260,760</u>	<u>326,755</u>	<u>389,270</u>	<u>311,270</u>	<u>372,700</u>
Legal Debt Margin	<u>\$ 445,720</u>	<u>\$ 342,437</u>	<u>\$ 217,719</u>	<u>\$ 263,248</u>	<u>\$ 193,552</u>
Legal Debt Margin as a Percentage of the Debt Limit	63.1%	51.2%	35.9%	45.8%	34.2%

**STATE OF NEW MEXICO
STATUTORY DEBT LIMIT
SEVERANCE TAX BONDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Annual Deposits into Severance Tax Bonding Fund	\$ 2,061,104	\$ 2,236,814	\$ 2,410,670	\$ 2,153,990	\$ 870,761
50.0% of Annual Deposits	<u>1,030,552</u>	<u>1,118,407</u>	<u>1,205,335</u>	<u>1,076,995</u>	<u>435,381</u>
Statutory Debt Limit Amount	1,030,552	1,118,407	1,205,335	1,076,995	435,381
Senior Bond Servicing Amount *	<u>207,512</u>	<u>226,530</u>	<u>226,530</u>	<u>208,274</u>	<u>428,500</u>
Statutory Debt Margin Amount	<u>\$ 823,040</u>	<u>\$ 891,877</u>	<u>\$ 978,805</u>	<u>\$ 868,721</u>	<u>\$ 6,881</u>
Statutory Debt Margin as a Percentage of Debt Limit	79.9%	79.7%	81.2%	80.7%	1.6%

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				
	2020	2019	2018	2017	2016
Annual Deposits into Severance Tax Bonding Fund	\$ 646,300	\$ 672,441	\$ 511,115	\$ 342,317	\$ 254,966
50.0% of Annual Deposits	<u>323,150</u>	<u>336,221</u>	<u>255,558</u>	<u>171,159</u>	<u>127,483</u>
Statutory Debt Limit Amount	<u>323,150</u>	<u>336,221</u>	<u>255,558</u>	<u>171,159</u>	<u>127,483</u>
Senior Bond Servicing Amount *	<u>146,965</u>	<u>129,737</u>	<u>142,160</u>	<u>144,766</u>	<u>16,489</u>
Statutory Debt Margin Amount	<u>\$ 176,185</u>	<u>\$ 206,484</u>	<u>\$ 113,398</u>	<u>\$ 26,393</u>	<u>\$ 110,994</u>
Statutory Debt Margin as a Percentage of Debt Limit	54.5%	61.4%	44.4%	15.4%	87.1%

**STATE OF NEW MEXICO
PLEGGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
Severance Tax Bonds (Including Supplemental Subordinate Liens):				
2025	\$ 2,070,440	\$ 176,867	\$ 28,045	10.1
2024	2,087,057	187,316	58,814	8.5
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
Highway Infrastructure Bonds:				
2025	\$ 564,474	\$ 82,095	\$ 28,726	5.1
2024	171,236	156,860	37,138	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
Energy and Minerals Bonds:				
2025	\$ -	\$ -	\$ -	0.0
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

N/A Data not available.

Sources: NM Department of Transportation audited financial statements UNM audited financial statements
 NM Office of the State Treasurer audited financial statements NMSU audited financial statements
 NM State Fair Commission (Expo) audited financial statements ENMU audited financial statements
 NM Energy, Minerals and Natural Resources audited financial statements WNMU audited financial statements
 NM Miner's Colfax Medical Center audited financial statements NMMI audited financial statements
 NM Spaceport Authority audited financial statements NMHU audited financial statements
 NM Department of Cultural Affairs audited financial statements NMTU audited financial statements
 UNM - Health Science is included in Educational in 2020.

STATE OF NEW MEXICO
PLEDGED REVENUE BOND COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
Cultural Affairs Bonds and Loan:				
2025	\$ -	\$ -	\$ -	0.0
2024	509	-	-	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
Miners' Colfax Medical Center Bonds:				
2025	\$ 6,019	\$ 3,600	\$ 90	1.6
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
	5,752	835	423	4.6
State Fair (EXPO) Bonds:				
2025	\$ -	\$ -	\$ -	0.0
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
Spaceport Authority Bonds:				
2025	\$ 12,057	\$ 4,445	\$ 176	2.6
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
PLEGGED REVENUE BOND COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year	Pledged Revenues Received	Annual Debt Service		Coverage
		Principal	Interest	
Bernalillo County Metropolitan Court:				
2025	\$ 5,130	\$ 3,750	\$ 188	1.3
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:				
2025	\$ 7,587	\$ 967,367	\$ 344,891	0.0
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:				
2025	\$ -	\$ -	\$ -	-
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:				
2025	\$ 8,156	\$ 6,624	\$ 5,402	0.7
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 Personal Income	Median Age	* Percent High School Grad or Higher (Pop=25 Yrs & >)	Public School Enrollment
2025	2,115,270	\$ 132,350,900,000	\$ 57,652	38.6	87.9	320,000
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

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

**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	11,900	6	1.3%	11,875	6	1.4%
Presbyterian Healthcare	11,600	7	1.3%	11,178	5	1.3%
Albuquerque Public Schools	1,887	8	0.2%	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	139,837		15.5%	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				
	2025	2024	2023	2022	2021
Nonagricultural Jobs:					
Government	190,900	190,800	190,800	184,800	173,800
Mining	23,700	23,700	24,100	21,000	18,800
Construction	53,900	54,600	53,200	52,600	51,100
Manufacturing	28,800	30,200	30,700	29,400	29,600
Trade, Transportation and Utilities	146,000	145,800	146,500	139,900	139,000
Information	10,700	8,800	10,400	9,800	8,200
Financial Activity	35,600	35,500	33,500	32,500	33,800
Professional and Business Services	122,200	122,600	113,600	116,400	113,100
Education and Health Services	148,300	145,400	149,500	146,900	137,100
Leisure and Hospitality	99,900	106,200	99,100	99,300	94,600
Other Services	28,100	30,200	28,200	27,600	28,400
Total Nonagricultural Jobs	888,100	893,800	879,600	860,200	827,500
Civilian Labor Force	991,000	974,627	969,463	938,167	969,048
Total Employed	948,400	935,535	930,977	901,310	913,408
Unemployed	42,700	39,092	38,486	36,857	55,640
Unemployment Rate	4.1%	4.0%	4.0%	3.9%	4.8%
Seasonally Adjusted Rate	4.1%	4.0%	4.0%	3.7%	5.8%

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				
	2020	2019	2018	2017	2016 as Restated
Nonagricultural Jobs:					
Government	186,300	190,300	183,600	186,500	188,900
Mining	18,600	26,300	20,300	20,800	19,800
Construction	49,500	52,200	46,900	45,700	43,400
Manufacturing	26,300	27,700	26,900	26,400	26,900
Trade, Transportation and Utilities	135,400	140,900	136,300	136,600	138,700
Information	9,900	11,300	11,100	12,300	13,000
Financial Activity	32,300	36,000	34,700	34,000	33,500
Professional and Business Services	107,800	109,900	103,200	104,300	101,300
Education and Health Services	135,600	144,000	140,200	139,000	138,200
Leisure and Hospitality	67,600	99,800	94,700	96,400	95,500
Other Services	25,900	27,900	27,600	28,600	28,500
Total Nonagricultural Jobs	<u>795,200</u>	<u>866,300</u>	<u>825,500</u>	<u>830,600</u>	<u>827,700</u>
Civilian Labor Force	960,100	966,624	949,047	929,567	928,732
Total Employed	877,700	920,787	904,196	872,382	866,704
Unemployed	82,400	45,837	44,851	57,185	62,028
Unemployment Rate	8.6%	4.7%	4.8%	6.2%	6.7%
Seasonally Adjusted Rate	8.6%	4.7%	4.7%	6.4%	6.7%

**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	5,863	4,849	4,490	4,958	5,519
New Mexico Highlands University	2,743	2,842	2,804	2,161	2,169
New Mexico Institute of Mining and Technology	1,624	2,000	1,734	1,482	1,517
New Mexico State University	15,471	26,514	27,854	17,518	18,458
Northern New Mexico College	1,424	1,904	1,453	761	768
University of New Mexico	23,406	33,410	34,368	21,273	22,568
Western New Mexico University	3,587	3,910	3,074	1,872	1,974
Total All Four-Year Institutions	54,118	75,429	75,777	50,025	52,973
Central New Mexico Community College ¹	19,404	27,684	18,563	10,600	11,612
Clovis Community College	2,581	3,245	3,408	1,291	1,461
Luna Community College	743	1,121	1,128	420	526
Mesalands Community College	563	1,286	1,198	280	346
New Mexico Junior College	2,237	2,385	2,500	1,352	1,591
New Mexico Military Institute	463	543	570	471	459
Northern New Mexico College	1,424	N/A	N/A	N/A	N/A
San Juan College	6,452	8,098	7,866	3,216	3,914
Santa Fe Community College	4,492	4,831	4,027	1,716	2,175
Total All Two-Year Institutions	38,359	49,193	39,260	19,346	22,084
Total All Institutions	92,477	124,622	115,037	69,371	75,057

¹ Albuquerque Technical Vocational Institute's name changed to Central New Mexico Community College

Source: Information can be found at <http://hed.state.nm.us/data-reports/data-reports-1/annual-projects> Annual Report

As of 2022 the numbers reported are by total head counts not FTE . Branches must be included in totals.

*2024 - 25 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				
	2025	2024	2023	2022	2021
General Government:					
Government Operations	1,293.0	1,470.8	1,467.8	1,416.0	1,353.1
Taxation and Revenue	1,043.5	1,041.5	1,058.0	1,063.0	1,054.2
Human Services and Youth Corrections	3,201.0	3,418.5	3,284.0	3,289.0	4,109.8
Adult Corrections	1,846.0	2,521.0	2,451.0	2,498.0	2,492.0
Public Safety	1,454.0	2,684.6	1,681.2	1,561.0	1,539.4
State Courts	3,698.9	4,399.4	4,195.8	4,009.0	3,574.4
Health and Environment:					
Department of Health	2,604.0	3,823.0	3,909.0	4,003.0	3,992.0
Department of Environment	527.7	698.7	661.7	689.0	653.0
Miners Colfax Community Hospital	197.0	258.0	288.0	293.0	290.5
Employment and Family Services	1,743.3	2,225.5	2,235.6	2,166.0	2,222.8
Natural Resources	1,360.0	1,171.2	1,570.0	1,492.0	1,404.9
Cultural Affairs	466.0	1,070.6	568.0	502.0	485.8
Business, Labor and Agriculture	823.0	980.0	920.0	879.0	842.0
Education	278.2	360.0	358.7	411.0	394.5
Transportation	2,259.0	2,664.0	2,660.0	2,676.0	2,615.5
Total Full-Time Equivalent State Employees	<u>22,794.6</u>	<u>28,786.8</u>	<u>27,308.8</u>	<u>26,947.0</u>	<u>27,023.9</u>
Change	-26.3%	5.1%	1.3%	-0.3%	3.7%

Source: Report of the Legislative Finance Committee to the 56th Legislature Second Session, January 2025, Vol. 2

**STATE OF NEW MEXICO
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2020	2019 As Restated	2018	2017	2016
General Government:					
Government Operations	1,380.0	1,336.5	1,334.0	1,355.0	1,190.0
Taxation and Revenue	1,072.8	1,066.8	1,078.0	1,088.0	1,096.0
Human Services and Youth Corrections	4,089.8	4,105.8	3,909.0	4,320.0	4,540.0
Adult Corrections	2,621.0	2,453.0	2,443.0	2,409.0	2,447.0
Public Safety	1,607.3	1,547.3	1,535.0	1,545.0	1,499.7
State Courts	3,542.6	3,473.4	3,389.0	3,375.0	3,587.4
Health and Environment:					
Department of Health	3,769.5	3,551.5	3,536.0	3,792.0	3,780.0
Department of Environment	634.5	635.5	638.0	637.0	660.5
Miners Colfax Community Hospital	258.0	260.0	258.0	224.0	224.0
Employment and Family Services	1,405.8	1,418.3	1,643.0	1,435.0	623.5
Natural Resources	1,361.5	1,375.5	1,366.0	1,389.0	1,005.8
Cultural Affairs	509.3	487.9	494.0	509.0	508.8
Business, Labor and Agriculture	878.4	864.4	860.0	900.0	1,809.5
Education	387.2	384.2	378.0	397.0	348.3
Transportation	2,506.5	2,506.5	2,503.0	2,488.0	2,487.5
Total Full-Time Equivalent State Employees	<u>26,024.2</u>	<u>25,466.6</u>	<u>25,364.0</u>	<u>25,863.0</u>	<u>25,808.0</u>
Change	2.1%	0.4%	-2.0%	0.2%	100.0%

**STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2025	2024	2023	2022	2021
General Government:					
Operations:					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) ^{8 11 24 39 43 50}	50 th	50 th	50 th	50 th	50 th
Taxation:					
% of Electronically Filed Personal Income Tax Returns ^{9 14 15 19 23 37 44, 47}	90%	90%	90%	90%	82%
% of Motor Vehicle Registrations Issued (with Liability Insurance) ^{14 15 19 23 37 44 47}	92%	92%	91%	91%	92%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions ^{8 10 14 15 19 23 37 44 47}	\$10.0	\$10.0	\$13.9	\$12.0	\$11.0
Regulation:					
# of Vehicular Port Traffic at New Mexico Ports ^{10 14 15 18 26 38 45 48}	2,100,000	2,100,000	1,206,104	1,988,283	766,671
Number of registered nurse licenses active on June 30 ^{10 15 18 25 40 46 49}	32,864	32,864	32,864	31,132	14,500
Tri-Annual Physician Licenses Issued ^{10 14 15 18 27 38 45 48}	4,600	4,600	5,911	5,269	3,000
Biennial Physician Assistant Licenses Issued ^{10 15 18 27 38 45 48}	550	550	598	621	225
Public Safety:					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau ^{10 14 15 19 28 41 45 48}	10,822	10,822	9,000	10,822	37,919
# of Traffic Fatalities ^{9 14 15 18 23 37 44 47}	400	400	444	464	395
# of Driving While Intoxicated Fatalities ^{9 14 15 18 23 37 44 47}	140	140	119	133	169
# of Driving While Intoxicated Arrests ^{9 14 15 18 23 37 44 47}	3,000	3,000	2,588	2,809	2,479
Education:					
Public:					
# of High School Graduates (4 year) ^{1 29 42}	20,520	20,520	19,483	32,058	26,096
Student Dropout Rate for Grades 9 - 12 ^{2 30 42 52}	8.5%	8.5%	6.8%	4.4%	4.4%
Public School Capital Outlay Allocation (\$ Millions) ⁴	15.7	15.7	15.7	15.7	136
Higher:					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) ^{8 10 14 15 38 45 48}	48%	48%	49%	48%	40%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years ^{8 10 14 15 21}	77%	77%	72%	73%	73%
Health and Human Services:					
% of Children Receiving Services in Medicaid Managed Care ^{10 14 15 23 38 44 47}	72%	72%	69%	70%	70%
% of Child Support Collected of Support Owed ^{9 14 15 18 23 38 45 48}	60%	60%	58%	58%	57%
# of Homeless Veterans Provided Shelter ^{8 10 14 15 21 31}	182	182	71	173	173
% of Children Adopted within 24 Months of Entry into Foster Care ^{8 10 14 15 23 37 44 48 (Split into two time periods for 2020)}	42%	42%	31%	38%	35%
% of Abused Children with Repeat Maltreatment ^{9 14 15 23 38 45 48}	9%	9%	13%	14%	8%
% of Preschoolers Fully Immunized ^{9 14 15 18 45 48}	66%	66%	69%	66%	76%
# of Operating School-Based Health Centers ^{13 14 15 32}	95	95	78	91	82
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) ^{18 21 26 45 48}	5	5	3	5	4

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2020	2019 as Restated	2018 as Restated	2017 as Restated	2016 as Restated
General Government:					
Operations:					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) ^{8 11 24 39 43 50}	40 th	39 th	39 th	39 th	30 th
Taxation:					
% of Electronically Filed Personal Income Tax Returns ^{9 14 15 19 23 37 44, 47}	90%	88%	87%	86%	85%
% of Motor Vehicle Registrations Issued (with Liability Insurance) ^{14 15 19 23 37 44 47}	91%	90%	90%	90%	92%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions ^{8 10 14 15 19 23 37 44 47}	\$10.4	\$12.9	\$14.6	\$11.5	\$11.6
Regulation:					
# of Vehicular Port Traffic at New Mexico Ports ^{10 14 15 18 26 38 45 48}	937,119	1,548,500	1,597,023	1,571,366	1,589,396
Number of registered nurse licenses active on June 30 ^{10 15 18 25 40 46 49}	18,918	24,711	19,340	16,872	16,251
Tri-Annual Physician Licenses Issued ^{10 14 15 18 27 38 45 48}	4,303	4,086	4,059	4,116	3,744
Biennial Physician Assistant Licenses Issued ^{10 15 18 27 38 45 48}	629	556	487	455	451
Public Safety:					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau ^{10 14 15 19 28 41 45 48}	NA	NA	19,500	16,590	10,408
# of Traffic Fatalities ^{9 14 15 18 23 37 44 47}	418	417	369	383	366
# of Driving While Intoxicated Fatalities ^{9 14 15 18 23 37 44 47}	142	157	143	163	149
# of Driving While Intoxicated Arrests ^{9 14 15 18 23 37 44 47}	1,647	2,171	2,574	N/A	N/A
Education:					
Public:					
# of High School Graduates (4 year) ^{1 29 42}	25,995	26,092	26,288	26,587	25,926
Student Dropout Rate for Grades 9 - 12 ^{2 30 42 52}	NA	NA	NA	3.8%	4.4%
Public School Capital Outlay Allocation (\$ Millions) ⁴	N/A	N/A	N/A	N/A	546
Higher:					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) ^{8 10 14 15 38 45 48}	56%	54%	50%	49%	48%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years ^{8 10 14 15 21}	N/A	N/A	N/A	N/A	75%
Health and Human Services:					
% of Children Receiving Services in Medicaid Managed Care ^{10 14 15 23 38 44 47}	73%	75%	72%	85%	85%
% of Child Support Collected of Support Owed ^{9 14 15 18 23 38 45 48}	59%	58%	57%	56%	56%
# of Homeless Veterans Provided Shelter ^{8 10 14 15 21 31}	N/A	N/A	N/A	503	491
% of Children Adopted within 24 Months of Entry into Foster Care ^{8 10 14 15 23 37 44 48 (Split into two time periods for 2020)}	36%	27%	28%	25%	23%
% of Abused Children with Repeat Maltreatment ^{9 14 15 23 38 45 48}	14%	17%	15%	15%	12%
% of Preschoolers Fully Immunized ^{9 14 15 18 45 48}	63%	64%	61%	72%	NA
# of Operating School-Based Health Centers ^{13 14 15 32}	79	73	73	70	72
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) ^{18 21 26 45 48}	4	5	5	5	3

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2024	2024	2023	2022	2021
Corrections:					
Juvenile:					
% Juveniles Earning Education Credits While Incarcerated ⁸	60%	60%	56%	56%	55%
% of Juveniles Who Complete Formal Probation ^{23 37 38 44 47}	85%	85%	93%	85%	90%
% of Juveniles Recommitted to a Youth Detention Facility ^{9 14 15 17 23 37 45 47}	20%	20%	13%	20%	12%
Adult:					
Turnover Rate of Correctional Officers ^{9 14 15 18 23 38 45 48}	28%	28%	32%	28%	11%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) ^{9 14 15 23 37 45 48}	36%	36%	30%	35%	37%
% of Prisoners Reincarcerated within 36 Months After Release ^{10 14 15 17 23 37 44 45 48}	35%	35%	36%	37%	40%
Culture and Recreation:					
# of Visits to Visitor Information Centers (Millions) ⁸	1.4	1.4	1.3	1.2	1.3
# of Unique Website Visitor Sessions (Millions) ^{8 23 45 48}	2.7	2.7	2	2	2
Circulation Rate for New Mexico Magazine ^{8 9 14 15 18 33 38 44 47}	80,000	80,000	100,000	80,000	94,221
Attendance to Museum Exhibitions, Performances, Films, Programs ^{8 10 14 15 34 38 45 48}	767,000	767,000	725,472	726,301	830,000
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters ^{8 10 14 15 18 36 38 45 48}	84%	84%	84%	84%	80%
Fish Output from Hatchery System (in Pounds) ^{5 7 8 10 14 15 35 38 45 48}	660,000	660,000	640,000	672,642	592,247
# of Visitors to State Parks (Millions) ^{8 9 14 15 23 44 47}	4.7	4.7	5	5	4
Natural Resources, Environment:					
# of Inspections of Oil and Gas Wells and Associated Facilities ^{8 14 15 23 37 44 47}	31,000	31,000	29,522	31,154	35,147
% of Required Mine Inspection Conducted ^{8 14 15 23 37 45 48}	98%	98%	99%	100%	100%
% of Abandoned Uranium Mines with Current Site Assessments ⁸	50%	50%	50%	50%	50%
% of Landfills Meeting Groundwater Monitoring Requirements ^{14 15 23 37 44 47}	95%	95%	97%	95%	95%
# of Wildlife Habitat Acres Conserved or Enhanced ^{8 20 35}	100,000	100,000	192,000	100,000	100,000
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 ^{8 10 14 15 38 45 48}	48%	48%	53%	45%	35%
Business, Labor, and Agriculture:					
% of Adults Who Entered Employment in 1 st Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) ^{9 14 15 17 19 23 37 45 48}	61%	61%	61%	61%	72%
# of Rural Jobs Created ^{9 14 15 23 37 45 48}	1,500	1,500	996	1,766	1,542
# of Media Industry Worker Days ^{9 14 15 18 37 45 48}	450,000	450,000	553,630	143,000	143,046
Changed to "Direct Spending by Industry productions (\$ Millions) ^{14 23 37 45 48}	\$580	\$580	\$794	\$5,855	\$674
Highways and Transportation:					
# of System wide Miles in Deficient Condition ^{9 14 15 23 37 45 48}	4,000	4,000	2,824	1,451	3,837
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled ^{5 7 8 12 51}	1.46	1.46	1.77	1.75	1.43
# of Statewide Improved Pavement Surface Miles ^{5 6 9 14 15 23 37 45 48}	4,172	4,172	3,390	4,373	2,750

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2020	2019 as Restated	2018 as Restated	2017 as Restated	2016 as Restated
Corrections:					
Juvenile:					
% Juveniles Earning Education Credits While Incarcerated ⁸	NA	NA	NA	NA	NA
% of Juveniles Who Complete Formal Probation ^{23 37 38 44 47}	94%	86%	86%	83%	85%
% of Juveniles Recommitted to a Youth Detention Facility ^{9 14 15 17 23 37 45 47}	20%	20%	20%	7%	10%
Adult:					
Turnover Rate of Correctional Officers ^{9 14 15 18 23 38 45 48}	2%	25%	28%	2%	10%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) ^{9 14 15 23 37 45 48}	46%	46%	51%	50%	46%
% of Prisoners Reincarcerated within 36 Months After Release ^{10 14 15 17 23 37 44 45 48}	54%	54%	49%	50%	46%
Culture and Recreation:					
# of Visits to Visitor Information Centers (Millions) ⁸	N/A	N/A	N/A	N/A	N/A
# of Unique Website Visitor Sessions (Millions) ^{8 23 45 48}	2.4	2.4	0.4	0.4	0.6
Circulation Rate for New Mexico Magazine ^{8 9 14 15 18 33 38 44 47}	70,000	70,000	70,000	70,000	75,000
Attendance to Museum Exhibitions, Performances, Films, Programs ^{8 10 14 15 34 38 45 48}	827,895	826,969	855,789	779,810	745,101
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters ^{8 10 14 15 18 36 38 45 48}	88%	84%	84%	84%	84%
Fish Output from Hatchery System (in Pounds) ^{5 7 8 10 14 15 35 38 45 48}	666,738	670,851	646,175	681,103	638,594
# of Visitors to State Parks (Millions) ^{8 9 14 15 23 44 47}	4	5	5	5	5
Natural Resources, Environment:					
# of Inspections of Oil and Gas Wells and Associated Facilities ^{8 14 15 23 37 44 47}	36,852	31,043	42,880	37,648	49,624
% of Required Mine Inspection Conducted ^{8 14 15 23 37 45 48}	88%	88%	95%	97%	97%
% of Abandoned Uranium Mines with Current Site Assessments ⁸	N/A	N/A	N/A	N/A	N/A
% of Landfills Meeting Groundwater Monitoring Requirements ^{14 15 23 37 44 47}	97%	99%	96%	97%	100%
# of Wildlife Habitat Acres Conserved or Enhanced ^{8 20 35}	192,000	192,000	192,000	192,000	NA
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 ^{8 10 14 15 38 45 48}	51%	48%	41%	52%	N/A
Business, Labor, and Agriculture:					
% of Adults Who Entered Employment in 1 st Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) ^{9 14 15 17 19 23 37 45 48}	69%	79%	79%	78%	80%
# of Rural Jobs Created ^{9 14 15 23 37 45 48}	460	1,376	2,414	775	641
# of Media Industry Worker Days ^{9 14 15 18 37 45 48}	102,376	319,814	259,961	448,304	260,307
Changed to "Direct Spending by Industry productions (\$ Millions) ^{14 23 37 45 48}	\$257	\$525	\$234	\$505	\$387
Highways and Transportation:					
# of System wide Miles in Deficient Condition ^{9 14 15 23 37 45 48}	4,420	3,783	4,675	4,675	4,515
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled ^{5 7 8 12 51}	1.53	1.30	1.43	1.16	1.18
# of Statewide Improved Pavement Surface Miles ^{5 6 9 14 15 23 37 45 48}	3,970	3,143	2,854	3,668	2,457

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Sources: Various departments of the State of New Mexico

- 1 New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates
- 2 [New Mexico Dropout Report published by New Mexico Public Education Department](#)
- 4 New Mexico Public Schools Finance Authority
- 8 [Report of the Legislative Finance Committee to the Legislature Second Session, Vol. II](#)
102, 103, 104, 105, 106, 108, 112, 113, 114, 122, 123, 172, 178, 187, 188, 194, 262, 287, 291, 303, 322, 323, 336, 338
- 9 [Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. I, Pg. 89, 98, 99, 100, 101, 105, 108, 112, 115, 116, 124, 125, 132, 133](#)
- 10 [Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. II, Pg. 41, 59, 121, 150, 157, 159, 185, 230, 276, 278, 283, 330, 332](#)
- 11 [Pension fund rankings by state-Crain's Chicago Bs, http://www.chicagobusiness.com/article/20130110/NEWS07/130109847/pension-fund-rankings-by-state-were-no-50](#)
- 12 [New Mexico Transportation By The Numbers: http://www.tripnet.org/docs/NM_Transportation_By_The_Numbe](#)
- 13 [New Mexico Alliance for School-Based Health Care \(NMSBHC\): 'http://www.nmsbhc.org/index.html](#)
- 14 [Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2015, Vol. I, Pg. 88, 90, 98, 99, 100, 101, 105, 108, 112, 113, 116, 117, 121, 122, 123, 129, 130; Vol II pg. 126, 134, 136, 149, 156, 158, 176, 184, 226, 285, 307, 324, 342, 344](#)
- 15 [Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2016, Vol. II, Pg. 152, 327, 343, 356, 505](#)
- 17 [Report of the Legislative Finance Committee to the 53rd Legislature First Session, January 2017, Vol. I, Pg. 91, 103, 116](#)
- 18 [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](#)
- 19 [Report of the Legislative Finance Committee to the 50th Legislature First Session, January 2011, Vol. II, Pg. 157, 243](#)
- 21 [Report of the Legislative Finance Committee to the 52nd Legislature First Session, January 2015, Vol. II, Pg. 261, 285, 343](#)
- 22 [Mercatus Center - George Mason University, www.mercatus.org/statefiscalrankings](#)
- 23 [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](#)
- 24 [Pension Fund Programs Worsen in 43 States, by Laurie Meisler, www.bloomberg.com/graphics/2017-state-pension-funding](#)
- 25 [New Mexico Board of Nursing - Annual Governor's Report FY 2017, Pg 12](#)
- 26 [Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. II, Pg. 121, 240](#)
- 27 [New Mexico Medical Board - E-mailed](#)
- 28 [New Mexico Public Regulation Commission - Annual Report FY 2017, Pg. 14, 16](#)
- 29 [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \\$ Year Graduation Rate Cohort 2017](#)
- 30 [New Mexico Public Education E-Mail - CFO](#)
- 31 [New Mexico Veterans' Services Department Performance Measures Summary, Pg. 1](#)
- 32 [New Mexico Alliance for School Based Health Care, www.nmsbhc.org/SBHC_Locator](#)
- 33 [New Mexico Magazine - E-Mail Circulation Manager](#)
- 34 [New Mexico Department of Cultural Affairs - E-mail CIO](#)
- 35 [New Mexico Department of Game and Fish Annual Report, Pg. 6, 9](#)
- 36 [New Mexico Department of Game & Fish - Website, www.wildlife.state.nm.us/hunting/applications-and-draws-information](#)
- 37 [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](#)
- 38 [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](#)
- 39 [Pension Fund Outlook Brightens in 41 States, by Danielle Moran, www.bloomberg.com/graphics/2018-state-pension-funding](#)
- 40 [New Mexico Board of Nursing - Annual Report FY 2018, Pg 4](#)
- 41 [New Mexico Public Regulation Commission - Annual Report FY 2018, Pg. 22+F45](#)
- 42 [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \\$ Year Graduation Rate Cohort 2019](#)
- 43 [Money - Is your money safe? These states are getting hit hardest by pension crisis. 10/15/2019.](#)
- 44 [Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. I, Pg. 109-110, 121-122, 127, 134, 143, 148-149, 156-158](#)
- 45 [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.](#)
- 46 [New Mexico Board of Nursing - Annual Report FY 2019, Pg 45-46](#)
- 47 [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](#)
- 48 [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](#)
- 49 [New Mexico Board of Nursing - Annual Report FY 20120 Pg 29](#)
- 50 [https://ipfiusa.org/wp-content/uploads/2019/08/Public-Pension-Performance-IPFI-August2019.pdf pg. 10-12](#)
- 51 [https://www.iihs.org/topics/fatality-statistics/detail/state-by-state](#)
- 52 [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 ¹ Measure deleted in FY09 or a latter Fiscal Year and replaced by different criteria.

NA Information not available

**STATE OF NEW MEXICO
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2025	2024	2023	2022	2021
General Government:					
Buildings	110	110	110	110	110
Vehicles	40	40	51	40	N/A
Public Safety:					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	920	920	823	920	846
Ports of Entry	8	8	13	8	8
Health and Human Services:					
Buildings - General Administrative	302	302	302	302	302
Buildings - Program					
Juvenile Reintegration Center	4	4	2	4	4
Medical Center/Hospital	55	55	55	55	55
Rehabilitation Facility	5	5	6	5	5
Veterans' Center	16	16	6	16	16
Vehicles	620	620	483	620	511
Corrections:					
Buildings	406	406	406	406	406
Vehicles	302	302	260	302	257
Culture and Recreation:					
Vehicles	60	60	60	60	60
Museums	14	14	15	14	14
Monuments	8	8	8	8	8
Natural Resources, Environment:					
Vehicles	261	261	194	261	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	5	N/A
Highways and Transportation:					
Highway Lane Miles	29,521	12,272	12,272	12,272	12,272
Vehicles/Heavy Equipment	6,500	6,500	6,500	6,500	6,500

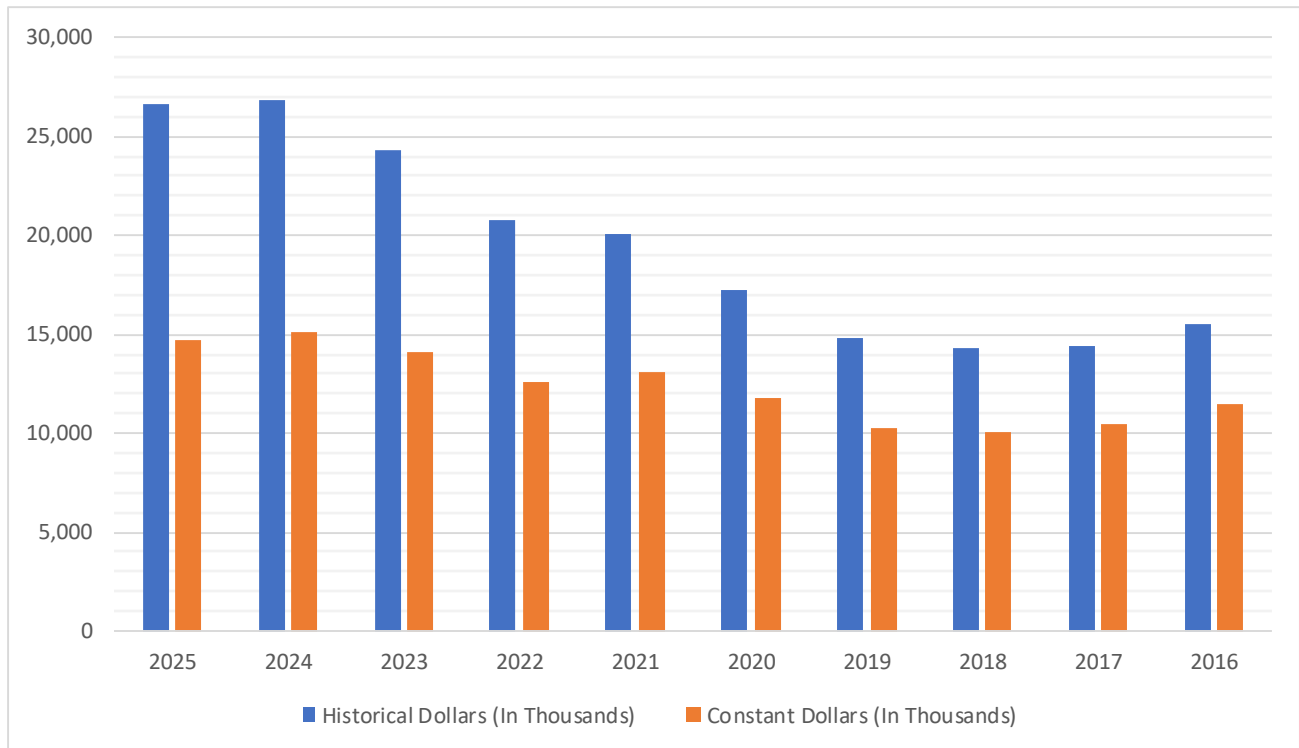
Sources: New Mexico General Services Department, Property Control Division and Public Information Office;
 New Mexico Game and Fish Department, Administrative Services
 New Mexico Energy and Minerals Department, Administrative Services Division;
 New Mexico Department of Transportation, ; dot.state.nm.us/content/nmdot/en/Operations.html
 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; nmdvs.org/field-offices
 www.sp.nm.gov/port-of-entry
 Number of Juvenile Centers in New Mexico (Bing)
 Number of rehabilitation facility in New Mexico (Bing)
 http://www.nmhistoricsites.org/
 http://www.emnrd.state.nm.us/SPD/FindaPark.html

STATE OF NEW MEXICO
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2020	2019	2018	2017	2016
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	846	1,275	1,256	900	921
Ports of Entry	8	8	8	8	6
Health and Human Services:					
Buildings - General Administrative	302	302	34	34	4
Buildings - Program					
Juvenile Reintegration Center	4	4	4	4	3
Medical Center/Hospital	55	54	57	58	53
Rehabilitation Facility	5	5	5	5	7
Veterans' Center	16	16	16	16	1
Vehicles	511	871	871	400	426
Corrections:					
Buildings	406	406	330	330	330
Vehicles	257	439	347	320	355
Culture and Recreation:					
Vehicles	60	55	54	40	45
Museums	14	13	9	9	4
Monuments	8	8	7	7	6
Natural Resources, Environment:					
Vehicles	196	261	280	340	380
State Parks	35	35	35	35	35
Wildlife Management Areas (Acres)	192,000	192,000	192,000	192,000	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	12,272	26,598
Vehicles/Heavy Equipment	6,500	6,500	6,500	6,500	6,417

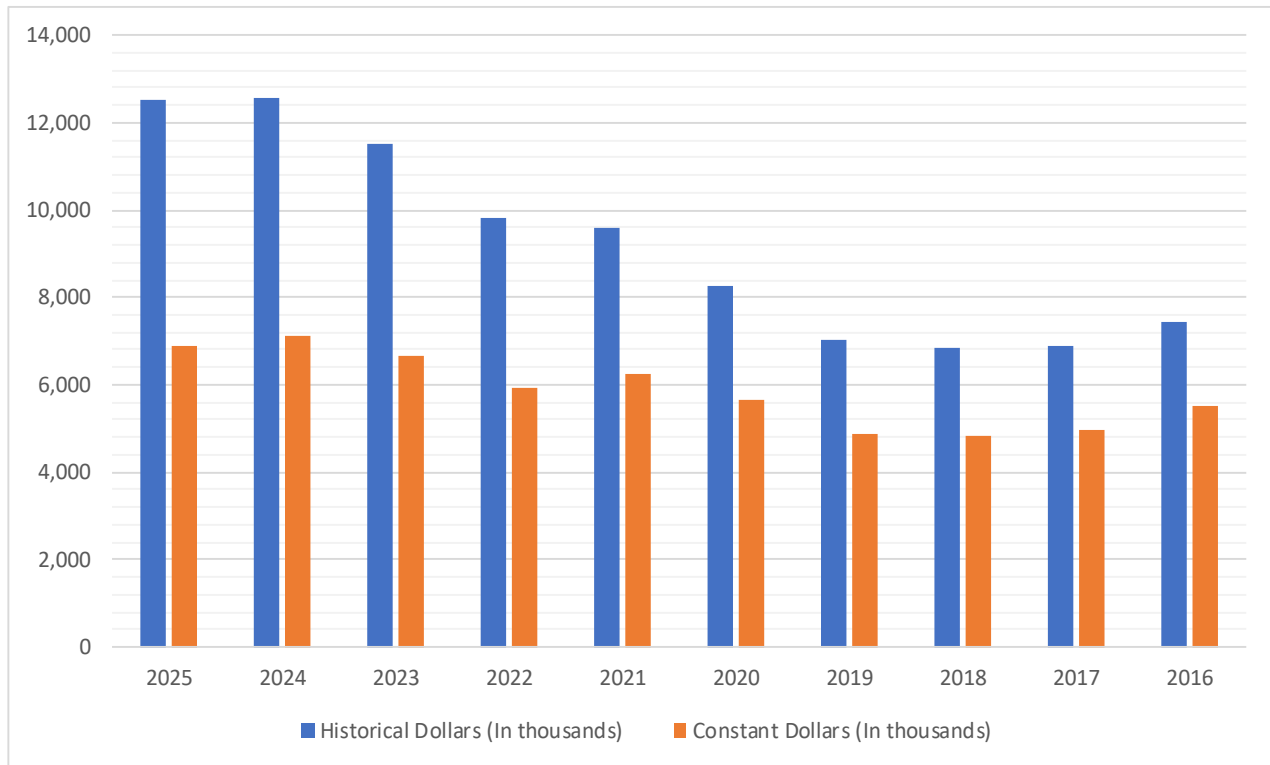
**STATE OF NEW MEXICO
EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS
ALL GOVERNMENT FUND TYPES
LAST TEN FISCAL YEARS**



Fiscal Year	Expenditures			
	Historical Dollars		Constant Dollars	
	(in Millions)	Change	(in Millions)	Change
2025	\$ 26,648	-0.6%	\$ 14,659	-3.2%
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%

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
2025	\$ 12,510	8.8%	\$ 6,881	2.9%
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	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 State of New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the State of New Mexico's basic financial statements, and have issued our report thereon dated March 6, 2026. Our report includes a reference to other auditors who audited the financial statements of certain components of the State, as described in our report on State of New Mexico'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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether State of New Mexico's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2025-001.

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 6, 2026

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | | |
|--|------------|---------|---------------|
| 1. Type of auditors’ report issued: | Unmodified | | |
| 2. Internal control over financial reporting: | | | |
| • Material weakness(es) identified? | _____ yes | ___X___ | no |
| • Significant deficiency(ies) identified? | _____ yes | ___X___ | none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes | ___X___ | no |

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

No such findings noted

Section III – Section 12-6-5 NMSA 1978 findings

2025-001 (2022-002) Financial Close and Reporting (Other Matter)

Condition: The State’s controls over the preparation and consolidation of the ACFR are not consistently designed or executed to ensure timely internal review and complete reconciliation between accounting records and financial statement presentation, resulting in isolated instances of unsupported variances, incomplete roll forward reconciliation, and inconsistent classification of activity, which individually are not significant but collectively represent a deficiency in internal control over financial reporting.

Management’s Progress for Repeat Finding: Management has continued to strengthen internal controls over financial reporting through increased standardization of reconciliation and review processes, refinement of ACFR preparation timelines, and formal updates to statewide accounting guidance. During the year, the Division enhanced written policies and procedures, including updates to MAPs and related accounting guidance, to promote consistent application of classification, rollforward, and reconciliation requirements across all components.

Additionally, management implemented more structured internal review checkpoints, improved documentation standards, and expanded communication with agencies to reinforce expectations regarding account analysis and financial statement presentation. While these enhancements represent meaningful progress toward improving consistency and precision in the ACFR preparation process, management recognizes that continued embedding and execution of these standardized controls is necessary to fully remediate the repeat finding.

The Division remains committed to further strengthening statewide accounting practices, improving training and oversight, and refining internal controls to ensure timely, accurate, and GAAP-compliant financial reporting in accordance with Sections 6-5-2 and 6-5-2.1 NMSA 1978.

Criteria: Section 6-5-2 NMSA 1978 requires the Division to maintain a centralized system of state accounts and establish accounting standards, policies, and procedures for all state agencies. Section 6-5-2.1 NMSA 1978 further requires the Division to conduct statewide accounting and financial reporting and to prepare the State’s Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting principles.

To meet these requirements, internal controls over financial reporting must be designed and operating effectively to ensure that financial information is timely reviewed, fully reconciled, and appropriately classified so that amounts reported in the ACFR are accurate, complete, and properly presented in accordance with GAAP.

Cause: The deficiencies resulted from a combination of evolving ACFR preparation processes, compressed financial reporting timelines, and inconsistent execution of established reconciliation and review procedures across components. While the State has implemented enhanced policies, account structures, and review processes, these controls have not yet been consistently embedded or operating with sufficient precision to ensure complete reconciliation and appropriate financial statement classification prior to ACFR finalization.

**STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

Section III – Section 12-6-5 NMSA 1978 findings (Continued)

2025-001 (2022-002) Financial Close and Reporting (Other Matter) (Continued)

Effect: As a result, there is an increased risk that misstatements or misclassifications within the ACFR may not be prevented or timely detected by the State's internal controls over financial reporting, requiring correction during the audit process.

Recommendation: We recommend the State continue to strengthen and formalize internal controls over the preparation and consolidation of the ACFR by ensuring reconciliation, classification, and review procedures are consistently designed, documented, and executed across all components. Management should continue evaluating and refining the ACFR preparation timeline, reconciliation processes, and communication of policies and procedures to promote timely internal review and consistent financial statement presentation.

Views of Responsible Officials and Planned Corrective Action: Responsible officials concur with the finding and acknowledge the need to further strengthen and consistently execute internal controls over the preparation and consolidation of the ACFR. Management recognizes that continued refinement of reconciliation procedures, rollforward processes, and financial statement classification controls is necessary to ensure completeness, accuracy, and GAAP-compliant presentation across all reporting components.

The ACFR Bureau Chief, under the direction of the State Controller, will be responsible for implementation of the corrective actions. Management will further standardize and formalize ACFR preparation procedures through updates to MAPs, expanded written desk procedures, and enhanced documentation requirements for reconciliations and supervisory review sign-offs. Structured milestone deadlines will be embedded within the ACFR timeline to promote earlier internal review, timely issue resolution, and consistent statewide execution.

In addition, the Division will incorporate formalized technical review checkpoints focused on GAAP presentation, classification consistency, and full rollforward reconciliation prior to issuance. Specific emphasis will be placed on proactive implementation and training related to new and upcoming GASB pronouncements to ensure accounting and disclosure requirements are fully understood and consistently applied statewide. Targeted training sessions will be provided to ACFR staff and agency financial personnel, along with updated guidance materials reflecting GASB changes and evolving reporting standards.

Management will also expand ongoing monitoring procedures, including documented quality control reviews and periodic post-close evaluations to identify process improvements. These corrective actions are intended to further embed standardized controls, strengthen statewide financial reporting practices, and enhance precision in the ACFR preparation process.

The Division anticipates full implementation of these corrective actions by June 30, 2026.

**STATE OF NEW MEXICO
STATUS OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

Financial Statement Findings

2024-001 (2022-002) – Internal Control over Financial Reporting – Repeated and Modified

Section 12-6-5 NMSA 1978 findings

2024-002 (2015-001) – Late Submission of Audit Report – Resolved

**STATE OF NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2025**

An exit conference was held with the State on March 5, 2026, via Microsoft Teams. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO

Wayne Propst, Cabinet Secretary

Mark S Melhoff, Financial Control Division/Acting State Controller

Lisa Jennings, SFRAB Bureau Chief

Kusum Adhikari, SFRAB Deputy Bureau Chief

Audrey Beck, Central Payroll Bureau Chief

CLIFTONLARSONALLEN LLP

Matt Bone, Principal

Laura Beltran-Schmitz, Principal

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.