

## New Issue

*This Official Statement ("Official Statement") has been prepared by the State Board of Finance to provide information on the State of New Mexico \$210,960,000 Capital Projects General Obligation Bonds, Series 2025 (the "Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision, a prospective investor should read the entire Official Statement. Certain capitalized terms used in the cover page and elsewhere in this Official Statement have the meanings given in the Official Statement.*



**\$210,960,000**  
**THE STATE OF NEW MEXICO**  
**CAPITAL PROJECTS GENERAL OBLIGATION BONDS**  
**SERIES 2025**

**Dated: Delivery Date**

**Due: March 1, as shown on the inside front cover**

*Ratings on the Bonds*

"Aa2" Moody's Investors Service  
"AA" S&P Global Ratings

*Tax Exemption*

In the opinion of Taft Stettinius & Hollister LLP, Tax Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds (defined herein) is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. See "TAX MATTERS" herein. Tax Counsel is also of the opinion that the interest on the Bonds is exempt from income taxation by the State of New Mexico. The Bonds have not been designated as "qualified tax-exempt obligations" for purpose of Section 265(b)(3) of the Code.

*Optional Redemption*

The Bonds will be subject to optional redemption prior to maturity. The Bonds maturing on or after March 1, 2031, are subject to redemption at the option of the State on any date on or after March 1, 2030, either in whole or in part, at a Redemption Price equal to 100% of their principal amount plus accrued interest to the date of redemption.

*Source of Payment*

The Bonds are being issued under the authority of the 2024 Capital Projects General Obligation Bond Act (the "Act"). The Act authorizes and directs State tax officials to levy on all property in the State that is subject to taxation an ad valorem tax sufficient to produce an amount equal to the interest and principal requirements for each year for any Bonds outstanding. The Bonds are general obligations of the State, and the full faith and credit of the State is pledged to the payment of Bonds issued under the Act.

*Purposes*

Net proceeds of the Bonds are being used to make capital expenditures for (i) certain senior citizen facility improvements, construction and equipment acquisitions; (ii) certain library acquisitions; (iii) capital improvements and equipment acquisitions at certain institutions of higher education, state special schools and tribal schools; and (iv) public safety communications systems, all as set forth in the Act and approved by the voters of the State on November 5, 2024, as specified in the Act.

*Interest Payment Dates*

March 1 and September 1, commencing September 1, 2025.

*Closing/Settlement*

On or about June 20, 2025.

*Public Sale*

The Bonds were sold pursuant to a competitive bidding process on June 4, 2025.

*Denominations*

\$5,000 or integral multiples thereof

*Book-Entry System*

The Depository Trust Company

*Registrar/Paying Agent*

State Treasurer of New Mexico

*Bond Counsel*

Rodey, Dickason, Sloan, Akin & Robb, P.A.

*Disclosure Counsel*

Kutak Rock LLP

*Tax Counsel*

Taft Stettinius & Hollister LLP

*Issuer Contact*

State Board of Finance: Ashley Leach, Director, 505-629-9745; [ashley.leach@dfa.nm.gov](mailto:ashley.leach@dfa.nm.gov)

*Date of Official Statement:* June 4, 2025.

## MATURITY SCHEDULE

### THE STATE OF NEW MEXICO CAPITAL PROJECT GENERAL OBLIGATION BONDS, SERIES 2025

| <b>Maturity Date<br/>(March 1)</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Yield at<br/>Issuance<sup>(1)</sup></b> | <b>Price at<br/>Issuance<sup>(1)</sup></b> | <b>CUSIP<sup>(2)</sup></b> |
|------------------------------------|-----------------------------|--------------------------|--------------------------------------------|--------------------------------------------|----------------------------|
| 2026                               | \$38,655,000                | 5.00%                    | 2.80%                                      | 101.504%                                   | 647293 TA7                 |
| 2027                               | 43,225,000                  | 5.00                     | 2.80                                       | 103.617                                    | 647293 TB5                 |
| 2028                               | 13,345,000                  | 5.00                     | 2.80                                       | 105.673                                    | 647293 TC3                 |
| 2029                               | 14,015,000                  | 5.00                     | 2.81                                       | 107.635                                    | 647293 TD1                 |
| 2030                               | 14,715,000                  | 7.00                     | 2.87                                       | 118.022                                    | 647293 TE9                 |
| 2031                               | 15,745,000                  | 5.00                     | 2.97 <sup>(3)</sup>                        | 108.834                                    | 647293 TF6                 |
| 2032                               | 16,535,000                  | 5.00                     | 3.05 <sup>(3)</sup>                        | 108.469                                    | 647293 TG4                 |
| 2033                               | 17,360,000                  | 5.00                     | 3.15 <sup>(3)</sup>                        | 108.014                                    | 647293 TH2                 |
| 2034                               | 18,225,000                  | 5.00                     | 3.30 <sup>(3)</sup>                        | 107.336                                    | 647293 TJ8                 |
| 2035                               | 19,140,000                  | 5.00                     | 3.48 <sup>(3)</sup>                        | 106.529                                    | 647293 TK5                 |

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<sup>(1)</sup> This information has not been provided by the State.

<sup>(2)</sup> Copyright 2025 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the State and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Bonds. The State takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

<sup>(3)</sup> Priced to yield at the earliest call date on which the Bonds may be optionally redeemed at par on March 1, 2030.

## ELECTED STATE OFFICIALS

MICHELLE LUJAN GRISHAM  
*Governor*

MAGGIE TOULOUSE OLIVER  
*Secretary of State*

HOWIE MORALES  
*Lieutenant Governor*

LAURA M. MONTOYA  
*State Treasurer*

JOSEPH M. MAESTAS  
*State Auditor*

RAÚL TORREZ  
*Attorney General*

STEPHANIE GARCIA RICHARD  
*Commissioner of Public Lands*

### Public Regulation Commissioners:

GABRIEL AGUILERA  
*Commissioner*

GREG NIBERT  
*Commissioner*

PAT O'CONNELL  
*Commissioner*

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## STATE BOARD OF FINANCE *Ex Officio Members*

GOVERNOR MICHELLE LUJAN GRISHAM  
*President*

*LT. GOVERNOR*  
HOWIE MORALES  
*Member*

*STATE TREASURER*  
LAURA M. MONTOYA  
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### Appointed Members

PAUL CASSIDY  
*Member*

JOSEPH LUJAN  
*Member*

WAYNE PROPST  
*Executive Officer*

MICHAEL S. SANCHEZ  
*Secretary*

WENDY TREVISANI  
*Member*

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State Board of Finance  
181 Bataan Memorial Building  
407 Galisteo Street  
Santa Fe, New Mexico 87501  
505-827-4980  
<https://www.nmdfa.state.nm.us/board-of-finance>

Ashley Leach, Director  
505-629-9745

#### BOND COUNSEL

*Rodey, Dickason, Sloan, Akin & Robb, P.A.*  
*Albuquerque, New Mexico*

#### DISCLOSURE COUNSEL

*Kutak Rock LLP*  
*Denver, Colorado*

#### TAX COUNSEL

*Taft Stettinius & Hollister LLP*  
*Albuquerque, New Mexico*

#### FINANCIAL ADVISORS

*Fiscal Strategies Group, Inc.*  
*Boulder, Colorado*

*Public Resources Advisory*  
*Group (as subcontractor)*  
*Los Angeles, California*

In connection with the offering of the Bonds, the Underwriter (defined below) may over-allot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such an offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sales hereunder shall under any circumstances create any implication that there has been no change in the affairs of the State of New Mexico (the “State”) since the date hereof.

This Official Statement contains statements relating to the State’s receipt of future revenues that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The State Board of Finance (the “Board”) is the author of this Official Statement and is responsible for its accuracy and completeness. J.P. Morgan Securities LLC (the “Underwriter”) purchased the Bonds pursuant to a public sale held on June 4, 2025. Both the Preliminary Official Statement and the Official Statement are “deemed final” by the Board for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

**CliftonLarsonAllen LLP, the State’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.**



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## SUMMARY OF INFORMATION

### **\$210,960,000 STATE OF NEW MEXICO CAPITAL PROJECTS GENERAL OBLIGATION BONDS, SERIES 2025**

The following material represents a summary of information concerning the Bonds and the security therefor set forth in this Official Statement and is qualified in its entirety by the detailed information herein. Purchasers of the Bonds should review the entire Official Statement before making an investment decision.

|                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Dated:</i>                                                                    | Delivery Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <i>Interest Payment:</i>                                                         | Interest is payable semi-annually on March 1 and September 1, commencing on September 1, 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <i>Principal Payment:</i>                                                        | The Bonds mature in serial installments as set forth on the inside cover page of this Official Statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <i>Redemption of Bonds:</i>                                                      | The Bonds will be subject to optional redemption prior to maturity. The Bonds maturing on or after March 1, 2031, are subject to redemption at the option of the State on any date on or after March 1, 2030, either in whole or in part, at a Redemption Price equal to 100% of their principal amount plus accrued interest to the date of redemption.                                                                                                                                                                                                                           |
| <i>Registration:</i>                                                             | The Bonds are being issued solely in book-entry form in the denomination of \$5,000 or any integral multiple thereof. The Bonds are being registered to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as depository.                                                                                                                                                                                                                                                                                                          |
| <i>Legal Opinion:</i>                                                            | The Bonds are offered when, as and if issued, subject to the approval of legality by Rodey, Dickason, Sloan, Akin & Robb, P.A., Bond Counsel and approval of tax-related matters by Taft Stettinius & Hollister LLP, Tax Counsel.                                                                                                                                                                                                                                                                                                                                                  |
| <i>Security:</i>                                                                 | The Bonds are being issued under the authority of the 2024 Capital Projects General Obligation Bond Act, Chapter 64, Laws 2024 (the "Act"). The Act authorizes and directs State tax officials to levy on all property in the State that is subject to taxation an ad valorem tax sufficient to produce an amount equal to the interest and principal requirements for each year for any general obligation bonds outstanding. The Bonds are general obligations of the State, and the full faith and credit of the State is pledged to the payment of Bonds issued under the Act. |
| <i>Limitation to the Issuance of Additional General Obligation Indebtedness:</i> | Section 8 of Article IX of the New Mexico State Constitution provides (in part) that no debt may be created if the total indebtedness of the State would thereby be made to exceed one percent of the assessed valuation of all the property subject to taxation in the State. Any subsequent issuance of general obligation bonds (other than refunding bonds) and any levy of additional ad valorem taxes for payment thereof are subject to approval of the voters.                                                                                                             |

## STATE GENERAL OBLIGATION BONDS

|                                                                       |                      |
|-----------------------------------------------------------------------|----------------------|
| General obligation bonds outstanding before issuance of the Bonds     | \$347,815,000        |
| Plus: The Bonds                                                       | <u>210,960,000</u>   |
| Total State General Obligation Bonds, following delivery of the Bonds | <u>\$558,775,000</u> |

## KEY BONDING MEASURES FOLLOWING THE ISSUANCE OF THE BONDS

|                                                                                                 |          |
|-------------------------------------------------------------------------------------------------|----------|
| Total General Obligation Bonds per capita (2024 Estimate from Census Bureau)                    | \$262.30 |
| Ratio of General Obligation Bonds to 2024 Net Taxable Value                                     | 0.516%   |
| Ratio of General Obligation Bonds per capita to State 2024 estimated per capita personal income | 0.455%   |
| Percent of General Obligation Bonds due within 10 years                                         | 100%     |

## **OFFICIAL STATEMENT**

### **THE STATE OF NEW MEXICO**

**\$210,960,000**

### **CAPITAL PROJECTS GENERAL OBLIGATION BONDS, SERIES 2025**

#### **INTRODUCTION**

The purpose of this Official Statement, including the cover page, the inside cover page, the Summary of Information and the Appendices hereto, is to furnish information regarding the issuance of the \$210,960,000 State of New Mexico Capital Projects General Obligation Bonds, Series 2025 (the “Bonds”), the State of New Mexico (the “State”), and the State Board of Finance (the “Board”).

The Bonds are general obligations of the State for the payment of which the full faith and credit of the State is pledged. The Bonds are payable from ad valorem taxes levied without limit as to rate or amount on all property in the State subject to taxation for State purposes. The Bonds are authorized in the maximum principal amount of \$290,618,600 by the 2024 Capital Projects General Obligation Bond Act, (the “Act”), passed by the State Legislature (the “Legislature”) and approved by the voters in a statewide election on November 5, 2024. See “THE BONDS,” below. The Bonds are issued pursuant to an authorizing and delegation resolution of the Board adopted on March 18, 2025 (as may be subsequently amended, collectively, the “Bond Resolution”). The Bonds are being issued to make capital expenditures to finance (i) certain senior citizen facility improvements, construction and equipment acquisitions, (ii) certain library acquisitions, (iii) capital improvements and acquisitions at certain institutions of higher education, state special schools and tribal schools, and (iv) public safety communications systems, each as set forth in the Act.

This Official Statement contains summaries of the terms of the Bonds, certain fiscal matters of the State and certain taxes imposed by the State. See “THE BONDS—Security for the Bonds,” below. The descriptions included in this Official Statement do not purport to be comprehensive or definitive, and such summaries and descriptions are qualified in their entirety by reference to such laws, and the definitive forms of documents, exhibits, or appendices where applicable.

Requests for additional information about the State, the taxes, or requests for copies of any document or statute referred to in this Official Statement, may be directed to:

|           |                                                                                                             |
|-----------|-------------------------------------------------------------------------------------------------------------|
| Contact:  | State Board of Finance                                                                                      |
|           | Attn: Ashley Leach, Director                                                                                |
| Phone:    | (505) 629-9745                                                                                              |
| Mail:     | 181 Bataan Memorial Building                                                                                |
|           | 407 Galisteo Street                                                                                         |
|           | Santa Fe, NM 87501                                                                                          |
| E-mail:   | Ashley.leach@dfa.nm.gov                                                                                     |
| Web Site: | <a href="https://www.nmdfa.state.nm.us/board-of-finance">https://www.nmdfa.state.nm.us/board-of-finance</a> |

## **THE BONDS**

### **General Terms**

The Bonds are dated their date of delivery, bear interest until the principal amount thereof is paid, and mature as set forth on the inside cover page hereof. Interest on the Bonds is payable on March 1 and September 1, commencing on September 1, 2025. The Bonds are being issued solely in book-entry form in denominations of \$5,000 or integral multiples thereof. The Bonds are being registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as depository for the Bonds. The Bonds are subject to transfer and exchange as set forth in the transactions authorized by the State Board of Finance in its resolution of March 18, 2025 (as may be subsequently amended, collectively, the “Bond Resolution”).

### **Optional Redemption of Bonds**

The Bonds will be subject to optional redemption prior to maturity. The Bonds maturing on or after March 1, 2031, are subject to redemption at the option of the State on any date on or after March 1, 2030, either in whole or in part, at a Redemption Price equal to 100% of their principal amount plus accrued interest to the date of redemption.

### **Authorization and Purpose**

General obligation bonds of the State are issued, and the proceeds thereof appropriated to various purposes pursuant to an act of the Legislature, consisting of the Senate and the House of Representatives. Under the State Constitution, general obligation bonds cannot be issued pursuant to such an act unless the act has been submitted to the qualified electors of the State at a general election and receives a majority of all the votes cast thereon at such election. Such an act takes effect upon certification of the State Canvassing Board announcing the results of such election. General obligation bonds may be issued for refunding purposes without further legislative action or referendum.

The Bonds are being issued pursuant to the Act, which authorizes and directs State tax officials to levy on all property in the State which is subject to taxation for State purposes an ad valorem tax sufficient to produce an amount equal to the interest and principal redemption requirements of each year for the Bonds outstanding.

### **Security for the Bonds**

The Constitution of the State requires that any law, such as the Act, which authorizes general obligation debt of the State shall provide for an annual tax levy sufficient to pay the interest on and to provide a sinking fund to pay the principal of the debt. See “OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS—Limitations to the Issuance of Additional State General Obligation Bonds,” below.

The Act requires the State to impose, during each year in which the Bonds are outstanding, an ad valorem tax on all property in the State subject to taxation for State purposes sufficient to pay the principal of and interest on the Bonds as they become due. The ad valorem taxes are required to be imposed, levied, assessed and collected. The State Treasurer is required to keep separate accounts of all amounts collected from taxes imposed pursuant to the Act and to use that money only for the purposes of paying the principal of and interest on the Bonds as they become due, and expenses relating thereto.

Currently the property taxes levied for State purposes are for the outstanding General Obligation Bonds, Series 2017A, Series 2019, Series 2021, and Series 2023 (collectively, the “Outstanding Bonds”). Property taxes are also levied for local government purposes including locally authorized general obligation bonds of various cities, counties, and school and special districts in the State.

The Act pledges the full faith and credit of the State for the payment of the Bonds and, pursuant to their provisions, constitutes an irrevocable contract with the holders of the Bonds. The payment of general obligation bonds from sources other than ad valorem taxes collected for that purpose requires an appropriation by the Legislature. If at any point there is not a sufficient amount of money from ad valorem taxes to make a required payment of principal of or interest on State general obligation bonds, the Governor may call a special session of the Legislature in order to secure an appropriation of money sufficient to make the required payment.

## **OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS**

### **Outstanding General Obligation Bonds**

The principal amount of State general obligation bonds that will be outstanding as of upon issuance of the Bonds (including the Bonds), the annual debt service requirements on the Bonds, and the annual debt service requirements on all such outstanding bonds at the delivery of the Bonds, are set forth below.

**TABLE 1**  
**General Obligation Bonds Outstanding Upon**  
**Issuance of the Bonds**

| Series       | Principal Outstanding |
|--------------|-----------------------|
| Series 2017A | \$ 40,875,000         |
| Series 2019  | 33,510,000            |
| Series 2021  | 87,485,000            |
| Series 2023  | 185,945,000           |
| The Bonds    | <u>210,960,000</u>    |
| Total        | <u>\$558,775,000</u>  |

*Source: New Mexico State Board of Finance*

**TABLE 2**  
**Debt Service Requirements on the Bonds<sup>(1)</sup>**

| <b>Fiscal Year</b> | <b>Principal</b>            | <b>Interest</b>            | <b>Annual Total</b>         |
|--------------------|-----------------------------|----------------------------|-----------------------------|
| 2026               | \$ 38,655,000               | \$ 7,559,493               | \$ 46,215,493               |
| 2027               | 43,225,000                  | 8,909,550                  | 52,134,550                  |
| 2028               | 13,345,000                  | 6,748,300                  | 20,093,300                  |
| 2029               | 14,015,000                  | 6,081,050                  | 20,096,050                  |
| 2030               | 14,715,000                  | 5,380,300                  | 20,095,300                  |
| 2031               | 15,745,000                  | 4,350,250                  | 20,095,250                  |
| 2032               | 16,535,000                  | 3,563,000                  | 20,098,000                  |
| 2033               | 17,360,000                  | 2,736,250                  | 20,096,250                  |
| 2034               | 18,225,000                  | 1,868,250                  | 20,093,250                  |
| 2035               | <u>19,140,000</u>           | <u>957,000</u>             | <u>20,097,000</u>           |
| <b>Total</b>       | <b><u>\$210,960,000</u></b> | <b><u>\$48,153,443</u></b> | <b><u>\$259,113,443</u></b> |

<sup>(1)</sup> Figures have been rounded to the nearest dollar.

**TABLE 3**  
**Future General Obligation Bond Debt Service Requirements**  
**Upon Issuance of the Bonds<sup>(1)</sup>**

| <b>Date</b>  | <b>Principal on<br/>Outstanding<br/>Bonds</b> | <b>Interest on<br/>Outstanding<br/>Bonds</b> | <b>Total<br/>Outstanding<br/>Bonds Debt<br/>Service</b> | <b>The Bonds Debt<br/>Service</b> | <b>Total Debt Service<br/>on Outstanding<br/>Bonds and the<br/>Bonds</b> | <b>Fiscal Year Debt<br/>Service</b> |
|--------------|-----------------------------------------------|----------------------------------------------|---------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------|-------------------------------------|
| 09/01/25     | --                                            | \$ 8,748,875                                 | \$ 8,748,875                                            | \$ 2,138,343                      | \$ 10,887,217                                                            | --                                  |
| 03/01/26     | \$ 62,175,000                                 | 8,748,875                                    | 70,923,875                                              | 44,076,150                        | 115,000,025                                                              | \$125,887,243                       |
| 09/01/26     | --                                            | 7,194,500                                    | 7,194,500                                               | 4,454,775                         | 11,649,275                                                               | --                                  |
| 03/01/27     | 67,545,000                                    | 7,194,500                                    | 74,739,500                                              | 47,679,775                        | 122,419,275                                                              | 134,068,550                         |
| 09/01/27     | --                                            | 5,505,875                                    | 5,505,875                                               | 3,374,150                         | 8,880,025                                                                | --                                  |
| 03/01/28     | 47,150,000                                    | 5,505,875                                    | 52,655,875                                              | 16,719,150                        | 69,375,025                                                               | 78,255,050                          |
| 09/01/28     | --                                            | 4,273,625                                    | 4,273,625                                               | 3,040,525                         | 7,314,150                                                                | --                                  |
| 03/01/29     | 51,870,000                                    | 4,273,625                                    | 56,143,625                                              | 17,055,525                        | 73,199,150                                                               | 80,513,300                          |
| 09/01/29     | --                                            | 2,976,875                                    | 2,976,875                                               | 2,690,150                         | 5,667,025                                                                | --                                  |
| 03/01/30     | 30,755,000                                    | 2,976,875                                    | 33,731,875                                              | 17,405,150                        | 51,137,025                                                               | 56,804,050                          |
| 09/01/30     | --                                            | 2,208,000                                    | 2,208,000                                               | 2,175,125                         | 4,383,125                                                                | --                                  |
| 03/01/31     | 34,740,000                                    | 2,208,000                                    | 36,948,000                                              | 17,920,125                        | 54,868,125                                                               | 59,251,250                          |
| 09/01/31     | --                                            | 1,339,500                                    | 1,339,500                                               | 1,781,500                         | 3,121,000                                                                | --                                  |
| 03/01/32     | 26,135,000                                    | 1,339,500                                    | 27,474,500                                              | 18,316,500                        | 45,791,000                                                               | 48,912,000                          |
| 09/01/32     | --                                            | 686,125                                      | 686,125                                                 | 1,368,125                         | 2,054,250                                                                | --                                  |
| 03/01/33     | 27,445,000                                    | 686,125                                      | 28,131,125                                              | 18,728,125                        | 46,859,250                                                               | 48,913,500                          |
| 09/01/33     | --                                            | --                                           | --                                                      | 934,125                           | 934,125                                                                  | --                                  |
| 03/01/34     | --                                            | --                                           | --                                                      | 19,159,125                        | 19,159,125                                                               | 20,093,250                          |
| 09/01/34     | --                                            | --                                           | --                                                      | 478,500                           | 478,500                                                                  | --                                  |
| 03/01/35     | --                                            | --                                           | --                                                      | <u>19,618,500</u>                 | <u>19,618,500</u>                                                        | <u>20,097,000</u>                   |
| <b>Total</b> | <b><u>\$347,815,000</u></b>                   | <b><u>\$65,866,750</u></b>                   | <b><u>\$413,681,750</u></b>                             | <b><u>\$259,113,443</u></b>       | <b><u>\$672,795,193</u></b>                                              | <b><u>\$672,795,193</u></b>         |

<sup>(1)</sup> Totals may not add due to rounding.

## **Mill Levy Rate**

In August of each year, the Local Government Division (the “Division”) of the Department of Finance and Administration (the “DFA”) receives certified net taxable values for all property in the state subject to taxation, which represents one-third of assessed property values. By September 1 of each year, the Board certifies to the Division a State property tax mill levy rate that will generate sufficient property tax revenue to cover the next three debt service payments due for the Bonds and the Outstanding Bonds combined, beginning the following March. A mill levy is the property tax rate expressed as \$1 per \$1,000 of net taxable value. The property tax mill levy rate makes allowance for non-payment of property taxes. Once the property tax mill levy rate is certified by the Board, the State Treasurer, the Secretary of the DFA, the Director of the Division and the Director of the Board sign a memorandum to the Division requesting that the Division adopt that State property tax mill levy rate as the State property tax mill levy rate. The Division then certifies that State property tax mill levy rate to counties and local governments for inclusion in the property tax bills. The mill levy for property tax years 2023 and 2024 was 1.36 mills. The 15-year average is 1.372 mills. In property tax year 2024 (the most recent data available), actual property tax remittances were 99.0 percent of the amount expected based on the final property tax valuations.

## **Limitations to the Issuance of Additional State General Obligation Bonds**

Sections 7 and 8 of Article IX of the State Constitution limit the power of State officials to incur general obligation indebtedness in the following ways:

1. The State may borrow money not exceeding the sum of two hundred thousand dollars (\$200,000) in the aggregate to meet casual deficits or failure in revenue, or for necessary expenses.
2. Other debt may be contracted by or on behalf of the State only when authorized by law for some specified work or object. Such a law takes effect only after being submitted to the qualified electors of the State and having received a majority of all votes cast thereon at a general election. No debt may be created if the total indebtedness of the State, exclusive of the debts of the territory and several counties thereof assumed by the State, would thereby be made to exceed one percent of the assessed valuation of all property subject to taxation in the State, as shown by the last preceding general assessment.
3. The State may contract debts to suppress insurrection and to provide for the public defense.

General obligation bonds for refunding purposes are not subject to approval of the voters.



The following table sets forth the calculation of State general obligation bonding capacity prior to and inclusive of the issuance of the Bonds.

**TABLE 4**  
**Calculation of 1% Bonding Limitation and the Bonds**

|                                                         |                       |
|---------------------------------------------------------|-----------------------|
| Net Taxable Value as of December 31, 2024               | \$108,183,361,964     |
| General Obligation Bond Limit (1% of net taxable value) | 1,081,833,620         |
| <br>Total Outstanding Bonds                             | <br>\$ 347,815,000    |
| Plus: The Bonds                                         | 210,960,000           |
| Total General Obligation Bonds                          | <u>\$ 558,775,000</u> |
| Ratio of Total Debt to Net Taxable Value                | 0.5165%               |

*Source: Local Government Division and Fiscal Strategies Group*

### **Underlying General Obligation Bonds**

The following table presents information on county, city, and public school district debt outstanding as of June 30, 2024. The table does not include debt of special districts or community colleges.

**TABLE 5**  
**Certain Underlying General Obligation Debt**

|          |                 |
|----------|-----------------|
| Counties | \$848,929,292   |
| Cities   | \$2,232,165,569 |
| Schools  | \$1,708,407,000 |

*Source: New Mexico Department of Finance and Administration, Local Government Division and New Mexico Public Education Department*

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## THE PROJECTS

### Plan of Financing

The Bonds are being issued to make capital expenditures for (i) certain senior citizen facility improvements, construction and equipment acquisitions, (ii) certain library acquisitions, (iii) capital improvements and acquisitions at certain institutions of higher education, state special schools, and tribal schools and (iv) public safety radio communications systems as described in the Act, and to pay the expenses incurred in the preparation and sale of the Bonds. The following table sets forth the sources and uses of funds, excluding accrued interest, with respect to the Bonds and the projects.

**TABLE 6**  
**Source and Uses of Funds**

| Source                                               | Total                   |
|------------------------------------------------------|-------------------------|
| Par Amount of Bonds                                  | \$210,960,000.00        |
| Original Issue Premium                               | <u>13,392,993.30</u>    |
| Total                                                | <u>\$224,352,993.30</u> |
| <b>Uses</b>                                          |                         |
| Senior Citizen Facilities                            | \$ 21,364,000.00        |
| Library Acquisition Projects                         | 6,000,000.00            |
| Higher Education, Special Schools and Tribal Schools | 186,265,000.00          |
| Public Safety Radio Communication Systems            | 10,000,000.00           |
| Cost of Issuance                                     | 530,000.00              |
| Underwriter's Discount                               | 192,821.24              |
| Additional Proceeds                                  | <u>1,172.06</u>         |
| Total                                                | <u>\$224,352,993.30</u> |

Note: Project cost amounts reflect voted totals less allocated costs of issuance.

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## State Capital Program

State General Fund balances and proceeds from General Obligation Bonds, Senior Severance Tax Bonds and Supplemental Severance Tax Bonds are important sources of capital financing for the State. The following table summarizes the capital funding administered by the Board and certain other sources for Fiscal Year 2020 through Fiscal Year 2024.

**TABLE 7**  
**Principal Sources of Capital Project Funding**  
**Fiscal Year Ended June 30**  
**(Dollars in millions)**

|                                                                        | 2020           | 2021             | 2022           | 2023             | 2024             |
|------------------------------------------------------------------------|----------------|------------------|----------------|------------------|------------------|
| <b>Proceeds from General Obligation Bonding Program <sup>(1)</sup></b> |                |                  |                |                  |                  |
| General Obligation Bonds                                               | \$157.9        | \$199.5          | \$ 0.0         | \$ 258.8         | \$ 0.00          |
| <b>Subtotal</b>                                                        | <u>157.9</u>   | <u>199.5</u>     | <u>0.0</u>     | <u>258.8</u>     | <u>0.00</u>      |
| <b>Proceeds from Severance Tax Bonding Program <sup>(1)</sup></b>      |                |                  |                |                  |                  |
| Severance Tax Bonds                                                    | 0.0            | 509.1            | 292.0          | 317.2            | 0.0              |
| Severance Tax Funding Notes <sup>(2)</sup>                             | 307.2          | 163.3            | 200.5          | 340.3            | 772.3            |
| Supplemental Severance Tax Bonds                                       | 0.0            | 0.0              | 0.0            | 0.0              | 0.0              |
| Supplemental Severance Tax Funding Notes <sup>(2)</sup>                | <u>254.5</u>   | <u>232.9</u>     | <u>268.2</u>   | <u>681.9</u>     | <u>733.4</u>     |
| <b>Subtotal</b>                                                        | <u>561.7</u>   | <u>905.3</u>     | <u>760.7</u>   | <u>1,339.4</u>   | <u>1,505.7</u>   |
| <b>Proceeds From Other Sources</b>                                     |                |                  |                |                  |                  |
| Transportation Bonds <sup>(3)</sup>                                    | 0.0            | 0.0              | 234.6          | 0.0              | 0.0              |
| <b>Subtotal</b>                                                        | <u>0.0</u>     | <u>0.0</u>       | <u>234.6</u>   | <u>0.0</u>       | <u>0.0</u>       |
| <b>Total <sup>(4)</sup></b>                                            | <u>\$719.6</u> | <u>\$1,104.8</u> | <u>\$995.3</u> | <u>\$1,598.2</u> | <u>\$1,505.7</u> |

<sup>(1)</sup> Dollar amounts from State Board of Finance funding programs reflect net proceeds available for capital expenditure. Amounts vary annually by legislative action and the timing of bond closings.

<sup>(2)</sup> The Board issues Senior Funding Notes and Supplemental Funding Notes to fund authorized projects. The notes are sold to the State Treasurer and retired within the same fiscal year.

<sup>(3)</sup> Dollar amounts for transportation bonds are for new bonds issued, and do not include refunding bonds.

<sup>(4)</sup> Totals may not add due to rounding.

Sources: New Mexico State Board of Finance and the New Mexico Finance Authority (as issuer of State Transportation Bonds)

In addition to the General Obligation Bonding Program, the Severance Tax Bonding Program and the Supplemental Severance Tax Bonding Program, each issued and administered by the Board, there are a number of other sources of funds for capital projects throughout the State. These other sources of funding include surplus general fund appropriations and proceeds of bonds issued by, among others, the New Mexico Finance Authority (the "Finance Authority"), the State Transportation Commission and state educational institutions.

The Finance Authority was created by the Legislature in 1992 to assist qualified governmental entities in financing capital equipment and infrastructure projects. The Finance Authority is a state instrumentality governed by a board of directors and is not subject to the direct supervision or control of any other board, bureau, department or agency of the State.

## **GENERAL INFORMATION CONCERNING THE STATE OF NEW MEXICO**

The State, admitted as the forty-seventh state on January 6, 1912, is the fifth largest state by area, containing approximately 121,593 square miles. The estimated 2024 population of the State was 2,130,256 according to the United States Census Bureau. The State has a semiarid subtropical climate with light precipitation. Its climate is characterized by sunshine and bright skies in both winter and summer. Every part of the State receives no less than 70 percent sunshine year-round. Humidity ranges from 30 to 60 percent. Thunderstorms in July and August bring most of the moisture. December to March snowfalls vary from 2 inches (lower Rio Grande Valley) to 300 inches (north central mountains).

### **Governmental Organization**

The Executive Branch of State government consists of a Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, Attorney General, and Commissioner of Public Lands. These officials are elected to four-year terms beginning January 1 after their election. An elected Executive Branch officer may succeed himself or herself in office once. The primary functions of the Executive Branch are currently carried out by the offices of each elected Executive Branch officeholder, in addition to approximately 22 cabinet departments, each headed by a cabinet secretary appointed by the Governor and approved by the Senate, and approximately 9 cabinet-level agencies. Elections for all statewide offices were held on November 8, 2022.

The State Board of Finance (the “Board”) has seven voting members consisting of the Governor, the Lieutenant Governor, the State Treasurer, and four members appointed by the Governor with the advice and consent of the Senate. No more than two appointed members may be from the same political party. The DFA Secretary serves as the Executive Officer of the Board and is a non-voting Board member. The Board, in addition to other powers and duties provided by law, has general supervisory authority over the fiscal affairs of the State and over the safekeeping and depositing of all money and securities belonging to, or in the custody of, the State. The Governor serves as the President of the Board.

The DFA is the principal financial organization of State government and performs through its divisions the duties and functions relating to State and local government financing and general administration. The executive and administrative head of the DFA is the Secretary, who is appointed by the Governor with the advice and consent of the Senate. The Board of Finance Division of the DFA provides operational, analytical and administrative support to the Board. The Director of the Board is appointed by the DFA Secretary with the approval of the Board.

The Legislature consists of 112 members and is divided into a Senate and a House of Representatives. Senators are elected for four-year terms and members of the House are elected for two-year terms. The Legislature convenes in regular session annually on the third Tuesday in January. Regular sessions are constitutionally limited in length to 30 calendar days in even-numbered years and 60 calendar days in odd-numbered years. Special sessions of the Legislature may be convened by the Governor.

Extraordinary sessions may be convened by the Legislature under certain limited circumstances. Legislators do not receive any salary but do receive per diem and mileage allowances while in session or performing official State business.

The judicial branch is composed of a statewide system including Magistrate and District Courts, the Court of Appeals and the Supreme Court. The District Courts are the trial courts with general jurisdiction.

## PROPERTY VALUATION AND TAXATION

### Property Tax System

With certain limited exceptions, real and personal property in the State that is owned by individuals or corporations is subject to ad valorem taxation (i.e., taxation as a fraction of value rather than on a per unit basis). County assessors are responsible for appraising most of New Mexico's residential and non-residential property. The TRD's Property Tax Division's (the "PTD") Appraisal Bureau helps county assessors implement the Property Tax Code, Articles 35 through 38 of Chapter 7 NMSA 1978, including providing technical assistance to county assessors in valuing locally assessed property.

If the valuation of a property requires specialized technical expertise or when the assets or property extends across county boundaries, the property is valued by the PTD's Central Assessment Bureau. The Central Assessment Bureau is also referred to as the State Assessed Property Bureau. The Central Assessment Bureau values the following businesses pursuant to 7-36-2 NMSA 1978:

- Railroads;
- Communication systems;
- Pipelines;
- Public utilities;
- Airlines;
- Electric generating plants if all or part of the electricity is generated for ultimate sale to the consuming public;
- Construction machinery and equipment, and other personal property of persons engaged in construction that is used in more than one county; and
- Mineral property, excepting oil and natural gas related property.

Property valuations, except for certain livestock, are established as of January 1 of each year. Except for property that is subject to the special methods of valuation statutes administered by the Central Assessment Bureau, the assessed value of property is maintained at current and correct values in accordance with the Property Tax Code, subject to the residential value limits in Section 7-36-21.2 and 7-36-21.3 NMSA 1978. Assessed value is generally determined by the sales of comparable property subject to certain limitations, though income or cost valuation methods are used when appropriate.

Taxable value is one-third of assessed value, as required by Section 1 of Article VIII of the New Mexico Constitution. Net taxable value, against which mill rates are imposed, consists of taxable value less exemptions.

A key property tax exemption relates to property owned by veterans. In 2024, New Mexico voters approved two amendments to the New Mexico Constitution that impact property tax revenues. Amendment 1 amended Article 8, Section 15 of the Constitution to extend the property tax exemption, which previously only applied to 100 percent disabled veterans and their widow and widowers, to veterans with less than one hundred percent disability and their widows and widowers, based on the veteran's disability rating. Amendment 2 amended Article 8, Section 5 of the Constitution to increase the property tax exemption for honorably discharged members of the armed forces and their widows and widowers. This amendment increases the property tax exemption from the current amount of \$4,000 to \$10,000 a year.

In 2025, the New Mexico Legislature adopted, and on March 20, 2025, the Governor signed, House Bill 47 ("HB 47") implementing the expanded property tax exemptions created by these amendments. HB 47 contained an emergency clause making it effective upon the Governor's signature.

The legislation made the \$10,000 veteran exemption applicable for the 2025 property tax year and provided for annual inflation adjustments based on the consumer price index beginning with the 2026 property tax year. The disabled veterans' exemption becomes applicable for the 2026 property tax year. Veterans eligible for both exemptions may be able to receive both exemptions applicable to a property in the order and manner set forth in the legislation. The economic impact of the two Constitutional Amendments cannot be predicted at this time. See "Property Tax Valuation Limitations" below.

Maximum property tax rates for operations for various types of local governments are imposed by the State Constitution and by governing statutes. Different tax rates, or mill rates, typically apply to residential and non-residential properties in the same tax jurisdiction due to the State's "yield control" statute. Section 7-37-7.1 NMSA 1978.

For locally assessed properties (except Copper Ad Valorem at 7-39-9 NMSA 1978), County treasurers generally are required to mail tax bills for the current tax year no later than November 1. Section 7-38-36 NMSA 1978. Section 7-38-36.2 NMSA 1978.

Property taxes are due in two equal installments on November 10 and April 10. Taxes become delinquent on December 10 (or January 6 in the event of a proposed tax levy) and May 10 following the two respective due dates. Actual dates may vary per each county's request. Civil penalties and interest are imposed on delinquent taxes.

For locally assessed properties, State law provides a mechanism by which, in the event of a dispute with respect to property taxes owed, a taxpayer may make payment under protest. Such monies may not be spent by property tax recipients until the taxpayer's claim has been decided by the local County Valuation Protest Boards, which PTD funds and chairs. 7-38-25 NMSA 1978. At that time, the monies are distributed either to the county or the taxpayer, depending on the outcome of the taxpayer's claim. As a result, counties may experience delays in receiving tax revenues or may be required to refund monies already received.

For centrally assessed property, the property owner must annually report the property's value to the Central Assessed Bureau by the last day of February. Section 7-38-8 NMSA. By May 1 of each year, the Central Assessed Bureau will mail a notice of valuation to each property owner. Section 7-38-20 NMSA 1978. Centrally assessed properties are valued under statutorily prescribed special methods of valuation. (Sections 7-36-24 through 33 NMSA 1978). A property owner may protest PTD's valuation. Any protest will be heard by the Administrative Hearings Office unless the property owner pays the tax due in which case they can seek a refund in a state district court. Property taxes for centrally assessed property are due in two equal installments on November 10 and April 10.

Oil and natural gas properties and related production equipment are subject to property taxation in the State. The oil and natural gas ad valorem production tax is levied and collected by the Oil and Gas Bureau of the TRD on the basis of assessed value deemed the equivalent of 50 percent of the actual price of oil and natural gas received at the production unit multiplied by the volume of oil and natural gas produced, less certain trucking expense deductions and royalties paid to the federal government, the State, or Indian tribes. The oil and natural gas production "equipment ad valorem tax" is levied based on assessed value deemed equivalent to nine percent of the previous calendar year sales value of the product from each production unit. The tax year for oil and natural gas production begins on September 1 based on tax rates that are set on August 31. The oil and natural gas "ad valorem production tax" is due by the 25th day of the second month following the month of production. Taxes are collected monthly. The oil and natural gas production "equipment ad valorem tax" is due on November 30 based upon assessments issued on or before October 15. The TRD distributes its collections to the county treasurers who further distribute the tax revenues to property tax recipients.

The total value of property in the State is compiled by the PTD from the county assessors and the Central Assessment Bureau and certified by the PTD to the DFA for budgetary use in setting mill rates.

Except for locally assessed property that has been delinquent more than two years, county treasurers are responsible for collecting property taxes and distributing them to governmental entities that receive them. Major property tax recipients include counties, municipalities, and school districts.

The PTD's Delinquent Property Bureau is responsible for collecting delinquent taxes that are more than two years in arrears. If a property owner fails to pay the tax, the Delinquent Property Bureau may sell the property at a public auction.

In property tax year 2024, the percent of property tax obligations statewide (including oil and gas production and equipment tax) was \$108,183,361,964 of which \$1,471,293,722.71 (1.36 percent) was distributed for State debt service.

### **Property Tax Valuation Limitations**

In November 1998, the New Mexico electorate approved an amendment to Section 1 of Article VIII of the State Constitution to authorize the Legislature to limit increases on residential property valuation for property taxes. The limitation may be applied to classes of residential property taxpayers based on owner-occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions. Any valuation limitations authorized as a local jurisdiction option shall provide for applying statewide or multi-jurisdictional property tax rates to the value of the property as if the valuations increase limitation did not apply.

Section 7-36-21.2 NMSA 1978, provides that residential property shall be valued at its current and correct value in accordance with the provisions of the Property Tax Code, provided that for the year 2001 and subsequent tax years, the value of a property in any tax year shall not exceed 103 percent of the value in the previous year. Implementation of this section required a median assessment ratio of 85 percent. Sales assessment ratios are computed annually by the TRD and measure a county's assessment valuations against current sale data. The three percent increase is only applied to counties that the PTD have found to have current and correct assessment ratios. The annual limitations do not apply to new improvements or to any property that has had a change in ownership, use or zoning during the year.

Another law, Section 7-36-21.3 NMSA 1978, provides that valuations for single-family dwellings occupied by certain low-income owners 65 year of age or older, or disabled, are frozen. The income threshold is \$35,000 for the 2020 tax year and will be indexed for inflation each year (the 2024 income threshold is \$41,900).

Since 2004, the Property Tax Code has required the seller to disclose the sale price of residential real property to the county assessor. Section 7-38-12.1 NMSA 1978. Since 2008 county assessors are required to consider in determining the market value of residential housing any decrease in value that would be realized by an owner in the sale of the property because of the effects of any affordable housing subsidy, covenant or encumbrance under a federal, state or local housing program that restricts the future use or resale value of the property or otherwise prohibits the owner from fully benefiting from any enhanced value of the property. This amendment has not had a material impact on the assessed value of residential properties.

The following table sets forth the aggregate statewide net taxable valuations for the last 10 years.

**TABLE 8**  
**Final Net Taxable Valuations**  
**(Dollars in thousands)**

| <b>Property Tax<br/>Year</b> | <b>Residential</b> | <b>Non-Residential</b> | <b>Oil and Gas</b> | <b>Copper</b> | <b>Net Taxable<br/>Value</b> |
|------------------------------|--------------------|------------------------|--------------------|---------------|------------------------------|
| 2015                         | \$32,396,576       | \$17,720,157           | \$ 8,463,290       | \$211,459     | \$ 58,791,482                |
| 2016                         | 33,533,677         | 18,181,319             | 4,982,793          | 224,778       | 56,922,567                   |
| 2017                         | 34,767,934         | 18,104,473             | 4,359,518          | 219,831       | 57,451,756                   |
| 2018                         | 35,934,821         | 18,266,388             | 6,338,179          | 199,561       | 60,698,949                   |
| 2019                         | 37,417,925         | 19,224,494             | 10,099,051         | 177,768       | 66,919,238                   |
| 2020                         | 38,832,638         | 20,154,146             | 11,525,822         | 153,889       | 70,666,495                   |
| 2021                         | 40,732,193         | 20,490,521             | 9,041,856          | 126,072       | 70,390,642                   |
| 2022                         | 43,214,986         | 22,139,100             | 18,485,867         | 133,668       | 88,517,562                   |
| 2023                         | 46,196,224         | 23,750,681             | 33,008,203         | 142,644       | 110,879,706                  |
| 2024                         | 48,855,581         | 25,442,567             | 27,396,647         | 170,911       | 108,183,362                  |

*Source: New Mexico Department of Finance and Administration, Local Government Division*

### **Property Tax Mill Levy Limitations**

Section 2 of Article VIII of the New Mexico Constitution states:

*Taxes levied upon real or personal property for state revenue shall not exceed four mills annually on each dollar of the assessed valuation thereof except for the support of the educational, penal and charitable institutions of the state, payment of the state debt and interest thereon; and the total annual tax levy upon such property for all state purposes exclusive of necessary levies for the state debt shall not exceed ten mills; provided, however, that taxes levied upon real or personal tangible property for all purposes, except special levies on specific classes of property and except necessary levies for public debt shall not exceed twenty mills annually on each dollar of the assessed valuation thereof, but laws may be passed authorizing additional taxes to be levied outside of such limitation when approved by at least a majority of the qualified electors of the taxing district who paid a property tax therein during the preceding year voting on such proposition.*

Currently the State imposes no levy of property taxes except for the payment of State debt.

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Statutes establish maximum property tax rates for operating purposes for cities, counties and school districts. The DFA is permitted by statute to set a rate at less than the maximum rate in any tax year. These maximum property tax rates for operating purposes are set forth below.

**TABLE 9**  
**Maximum Operating Mill Levy Rates**

|                                       |              |
|---------------------------------------|--------------|
| Counties .....                        | 11.85        |
| Cities .....                          | 7.65         |
| Schools .....                         | <u>0.50</u>  |
| Maximum combined statutory rate ..... | <u>20.00</u> |

*Source: Section 7-37-7(B) NMSA 1978*

Apart from the allowable operating tax rates above, New Mexico governments may levy additional property taxes as authorized by statute and voter approval for:

- Debt service;
- County hospitals and health care services;
- School district capital improvements;
- Branch and community colleges;
- Vocational schools;
- Flood control districts and authorities;
- Judgments;
- Water and sanitation districts;
- Conservancy districts;
- Public improvement districts;
- Tax increment development districts; and
- Other special districts.

In addition, the Legislature has established certain limits on the increase in property tax revenue that may be realized for county and city operating purposes. The “yield control” formula is activated by property valuation increases resulting from county assessor reappraisal programs. The yield control law limits the increase in operating revenue from existing properties in absence of new rate impositions in any one year over the prior year to the lesser of five percent or the percentage increase in the annual price index published by the United States Department of Commerce for State and Local Government Purchases of Goods and Services, plus increases in tax revenues resulting from new construction, improvements to properties and increased taxable value due to annexation.

## FINANCIAL OVERVIEW OF THE STATE

### General Fund Revenues, Expenditures, and Ending Fund Balances

The State derives the majority of its recurring General Fund revenue from four major sources: general and selective sales taxes; income taxes; taxes and royalties on natural resource production; and investment earnings both on its two permanent funds and on cash balances. Effective July 1, 1981, the Legislature repealed the property tax levy for general State operating purposes and has not reinstated it since that time. However, the New Mexico Constitution authorizes a levy of up to four mills for general State operating purposes and additional levies for the support of State educational, penal and other institutions.

The following table lists audited revenues, expenditures and ending fund balances for Fiscal Years 2020 through 2024 and projections for Fiscal Year 2025.

**TABLE 10**  
**General Fund Financial Summary Fiscal Year 2020 – 2024 and Fiscal Year Projected 2025**  
**(Dollars in thousands)**

|                                                               | Actual<br>2020     | Actual<br>2021      | Actual<br>2022     | Actual<br>2023      | Actual<br>2024      | Projected<br>2025                 |
|---------------------------------------------------------------|--------------------|---------------------|--------------------|---------------------|---------------------|-----------------------------------|
| <b>A. APPROPRIATION ACCOUNT</b>                               |                    |                     |                    |                     |                     |                                   |
| <b>Recurring Receipts:</b>                                    |                    |                     |                    |                     |                     |                                   |
| General and Selective Sales Taxes                             | \$3,568,300        | \$3,474,971         | \$4,146,752        | \$4,809,020         | \$4,875,962         | \$5,127,607                       |
| Income Taxes                                                  | 1,755,100          | 1,956,076           | 2,883,369          | 2,953,835           | 2,834,701           | 2,744,590                         |
| Severance Taxes <sup>(1)</sup>                                | 440,100            | 477,257             | 644,260            | 992,261             | 1,312,965           | 1,279,773                         |
| License Fees                                                  | 30,781             | 25,499              | 24,900             | 63,734              | 72,829              | 64,250                            |
| Investment Income                                             | 946,200            | 960,972             | 915,946            | 1,338,575           | 1,887,084           | 2,100,400                         |
| Rents and Royalties                                           | 938,651            | 859,662             | 755,217            | 1,196,871           | 1,762,659           | 1,716,205                         |
| Miscellaneous Receipts                                        | 81,847             | 41,519              | 36,857             | 46,726              | 77,911              | 47,090                            |
| Tribal Revenue Sharing                                        | 51,677             | 48,166              | 71,434             | 46,726              | 83,597              | 84,000                            |
| Reversions/Adjustments                                        | 81,100             | 241,038             | 195,522            | 110,490             | 142,508             | 100,000                           |
| <b>Total Recurring Receipts</b>                               | <b>\$7,859,800</b> | <b>\$8,085,160</b>  | <b>\$9,675,257</b> | <b>\$11,589,675</b> | <b>\$13,050,217</b> | <b>\$13,263,915</b>               |
| <b>Total Nonrecurring and Adjustments</b>                     | <b>322,400</b>     | <b>715,800</b>      | <b>(902,900)</b>   | <b>(699,607)</b>    | <b>139,779</b>      | <b>0</b>                          |
| <b>Total Receipts</b>                                         | <b>\$8,182,200</b> | <b>\$8,800,961</b>  | <b>\$8,772,357</b> | <b>\$10,890,068</b> | <b>\$13,189,996</b> | <b>\$13,263,915</b>               |
| <b>Recurring Appropriations:</b>                              |                    |                     |                    |                     |                     |                                   |
| Legislative                                                   | \$ 20,275          | \$ 21,158           | \$ 21,985          | \$ 48,491           | \$ 42,736           | \$ 41,121                         |
| Judicial                                                      | 318,833            | 321,254             | 329,429            | 363,553             | 386,636             | 442,542                           |
| General Control                                               | 147,536            | 150,083             | 159,817            | 176,543             | 215,904             | 212,262                           |
| Commerce and Industry                                         | 62,622             | 64,750              | 65,826             | 80,445              | 86,818              | 102,054                           |
| Agriculture, Energy and Natural Resources                     | 75,639             | 77,477              | 79,462             | 98,202              | 108,413             | 124,261                           |
| Health, Hospitals and Human Services                          | 1,871,387          | 1,899,035           | 1,980,309          | 2,251,399           | 2,722,043           | 2,968,203                         |
| Public Safety                                                 | 468,659            | 476,405             | 477,918            | 507,381             | 519,998             | 550,230                           |
| Other Education                                               | 102,147            | 51,433              | 34,723             | 59,679              | 108,714             | 91,872                            |
| Higher Education                                              | 867,043            | 840,678             | 900,572            | 1,025,354           | 1,269,442           | 1,351,276                         |
| Public School Support                                         | 3,171,732          | 3,170,640           | 3,430,356          | 3,812,922           | 4,118,186           | 4,335,658                         |
| <b>Total Recurring Appropriations <sup>(2)</sup></b>          | <b>\$7,092,100</b> | <b>\$7,072,923</b>  | <b>\$7,480,396</b> | <b>\$8,423,969</b>  | <b>\$9,578,890</b>  | <b>\$10,234,581<sup>(2)</sup></b> |
| <b>Nonrecurring Appropriations <sup>(3)</sup></b>             | <b>571,900</b>     | <b>1,831,200</b>    | <b>1,676,300</b>   | <b>2,012,545</b>    | <b>3,070,617</b>    | <b>3,561,494</b>                  |
| <b>Total Appropriations</b>                                   | <b>\$7,664,000</b> | <b>\$8,904,100</b>  | <b>\$9,133,700</b> | <b>\$10,436,514</b> | <b>\$12,649,506</b> | <b>\$13,796,074</b>               |
| Transfers from/(to) Other Accounts                            |                    |                     |                    |                     |                     |                                   |
| <b>TRANSFER FROM/(TO) RESERVE</b>                             |                    |                     |                    |                     |                     |                                   |
| <b>ACCOUNTS</b>                                               | <b>\$ ( 518.3)</b> | <b>\$ (103,200)</b> | <b>\$ 706,492</b>  | <b>\$829,001</b>    | <b>\$102,489</b>    | <b>\$(532,159)</b>                |
| <b>B. OPERATING RESERVE</b>                                   |                    |                     |                    |                     |                     |                                   |
| <b>Beginning Balance</b>                                      | <b>\$ 486,300</b>  | <b>\$ 507,518</b>   | <b>\$ 347,469</b>  | <b>\$ 565,832</b>   | <b>\$596,584</b>    | <b>\$606,559</b>                  |
| Revenues/Repayments/Reversions                                | (2,000)            | (6,651)             | (28,948)           | (74,396)            | (43,099)            | (5,800)                           |
| Appropriations:                                               |                    |                     |                    |                     |                     |                                   |
| Other Appropriations and Adjustments                          | (48,600)           | --                  | --                 | --                  | --                  | --                                |
| <b>Total Appropriations <sup>(4)</sup></b>                    | <b>(48,600)</b>    | <b>(6,651)</b>      | <b>--</b>          | <b>--</b>           | <b>--</b>           | <b>--</b>                         |
| Transfers:                                                    |                    |                     |                    |                     |                     |                                   |
| From/(To) General Fund Appropriations Account                 | 518,300            | --                  | --                 |                     |                     | (532,159)                         |
| From/(To) Appropriation Contingency Fund                      | --                 | (103,161)           | 706,492            | 829,001             | 102,489             | --                                |
| From/(To) Government Results and Opportunity Expendable Trust | (448,800)          | (50,000)            | (459,182)          | (723,853)           | --                  | --                                |
| From/(To) Other State Funds                                   | --                 | 98                  | --                 | --                  | (50,000)            | 36,360                            |

|                                                                    |                     |                     |                    |                    |                    |                         |
|--------------------------------------------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|-------------------------|
| <b>Total Transfers</b>                                             | <b>69,500</b>       | <b>(153,163)</b>    | <b>247,310</b>     | <b>105,148</b>     | <b>52,489</b>      | <b>(410,310)</b>        |
| <b>Ending Balance <sup>(5)</sup></b>                               | <b>\$ 507,518</b>   | <b>\$ 347,469</b>   | <b>\$ 565,832</b>  | <b>\$596,584</b>   | <b>\$606,559</b>   | <b>\$137,961</b>        |
| <b>C. STATE SUPPORT RESERVE</b>                                    |                     |                     |                    |                    |                    |                         |
| <b>Beginning Balance</b>                                           | <b>\$ 19,100</b>    | <b>\$ 29,100</b>    | <b>\$ 3,991</b>    | <b>\$ 49,491</b>   | <b>\$10,399</b>    | <b>\$0.4</b>            |
| <b>Ending Balance <sup>(5)</sup></b>                               | <b>\$ 29,100</b>    | <b>\$ 3,991</b>     | <b>\$ 49,491</b>   | <b>\$10,399</b>    | <b>\$0.4</b>       | <b>\$0.4</b>            |
| <b>D. APPROPRIATION CONTINGENCY FUND</b>                           |                     |                     |                    |                    |                    |                         |
| <b>Beginning Balance, Excluding Education Reform</b>               | <b>\$ 11,700</b>    | <b>\$6,700</b>      | <b>\$55,457</b>    | <b>\$ 11,164</b>   | <b>\$0</b>         | <b>\$9,113</b>          |
| Receipts:                                                          |                     |                     |                    |                    |                    |                         |
| Reversions                                                         | 8,300               | 11,724              | 11,164             | 1,629              | 15,863             | 8,000                   |
| Transfers From General Fund/Appropriation Contingency Fund         | --                  | 50,000              | --                 | --                 | 50,000             | 150,000                 |
| Expenditures/Appropriations <sup>(6)</sup>                         |                     |                     |                    |                    |                    |                         |
| Disasters                                                          | (15,300)            | (12,958)            | (55,457)           | (12,793)           | (56,751)           | (41,000)                |
| <b>Ending Balance, Appropriation Contingency Fund</b>              | <b>\$ 6,700</b>     | <b>\$ 55,457</b>    | <b>\$ 11,164</b>   | <b>\$0</b>         | <b>\$9,113</b>     | <b>\$126,113</b>        |
| <b>E. TAX STABILIZATION RESERVE</b>                                |                     |                     |                    |                    |                    |                         |
| <b>Beginning Balance</b>                                           | <b>\$ 1,088,300</b> | <b>\$ 1,727,300</b> | <b>\$1,812,600</b> | <b>\$2,303,331</b> | <b>\$3,050,439</b> | <b>\$2,178,996</b>      |
| Transfers In                                                       | 639,300             | 429,800             | 492,384            | 748,610            | 89,122             | 87,160                  |
| Transfers Out                                                      | --                  | (344,600)           | (1,621)            | (1,502)            | (960,565)          | (69,360)                |
| <b>Ending Balance <sup>(7)</sup></b>                               | <b>\$1,727,300</b>  | <b>\$ 1,812,600</b> | <b>\$2,303,331</b> | <b>\$3,050,439</b> | <b>\$2,178,996</b> | <b>\$2,197,027</b>      |
| <b>F. TOBACCO SETTLEMENT PERMANENT FUND RESERVE <sup>(8)</sup></b> |                     |                     |                    |                    |                    |                         |
| <b>Beginning Balance</b>                                           | <b>\$ 228,600</b>   | <b>\$243,200</b>    | <b>\$ 285,300</b>  | <b>\$ 300,245</b>  | <b>\$330,826</b>   | <b>--<sup>(7)</sup></b> |
| Transfers In                                                       | 33,900              | 77,600              | 34,971             | 23,637             | 27,423             | --                      |
| Transfers Out                                                      | (17,000)            | (35,300)            | (35,190)           | (11,520)           | (13,914)           | --                      |
| Gains/(Losses)                                                     | (2,400)             | --                  | 14,900             | 18,463             | 24,802             | --                      |
| <b>Ending Balance</b>                                              | <b>\$243,200</b>    | <b>\$285,300</b>    | <b>\$ 300,245</b>  | <b>\$330,826</b>   | <b>\$369,137</b>   | <b>--<sup>(7)</sup></b> |
| <b>G. TOTAL RESERVE BALANCES</b>                                   |                     |                     |                    |                    |                    |                         |
| <b>Beginning Balance</b>                                           | <b>\$1,834,000</b>  | <b>\$2,515,500</b>  | <b>\$2,504,800</b> | <b>\$3,230,057</b> | <b>\$3,988,248</b> | <b>\$3,164,204</b>      |
| <b>Ending Balance <sup>(9), (10), (11)</sup></b>                   | <b>\$2,515,500</b>  | <b>\$2,504,800</b>  | <b>\$3,230,065</b> | <b>\$3,988,248</b> | <b>\$3,164,204</b> | <b>\$2,983,899</b>      |
| Reserves as a Percentage of Current-Year Recurring Appropriations  | 35.4%               | 35.4%               | 43.3%              | 47.3%              | 33.0%              | 29.2%                   |

**Notes to General Fund Financial Summary:**

(1) Beginning in FY19, Oil and Gas Emergency School Tax revenue in excess of the five-year average goes to the tax stabilization reserve fund or the early childhood education and care fund. FY24 total gross oil and gas emergency school tax revenue was \$1.8 billion, however the excess of the five-year average was distributed to the tax early childhood education and care fund. This amount was \$665.2 million. Total severance taxes net of this transfer were \$1.145 billion. Beginning in FY25, 2023s SB26 will also cap Oil and Gas Emergency School Tax revenue to the general fund at FY24 levels, the difference between the FY24 cap and the five-year average will be distributed to the Severance Tax Permanent Fund in FY25.

(2) FY25 recurring appropriations include an additional \$10 million in recurring appropriations from 2025s HB 1 feed bill.

**(3) Appropriation Account, Nonrecurring Appropriations:**

**FY22 includes** a \$26.1 million appropriations from Laws 2022 (Special Session).

**FY22** GAA Undistributed Nonrecurring Appropriations reduced total appropriations by \$448.1 million in FY22. These FY22 GAA appropriations can be spent in FY22 or FY23, therefore the FY22 undistributed appropriations are also in addition to the total appropriations in FY23.

**FY23** GAA Undistributed Nonrecurring Appropriations reduced total appropriations by \$428.5 million in FY23. These FY23 GAA appropriations can be spent in FY23 or FY24, therefore the FY23 undistributed appropriations are also in addition to the total appropriations in FY24.

**FY22, FY23, and FY24** nonrecurring appropriations also include appropriations made to ARPA funds. However, in calculating the transfer to and from reserve accounts ARPA funds are netted out so that there is no impact or influence on state reserves from federal funds.

**(4) General Fund Operating Reserve:**

**FY20 includes** \$2.0 million for the State Board of Finance Emergency Fund appropriation.

**FY21 includes** \$6.7 million for the State Board of Finance Emergency Fund appropriation.

**FY21 includes** Laws 2021, Chapter 137(HB2) appropriated \$50 million from operating reserve to appropriation contingency fund.

**FY 22 includes** \$28.9 million for the State Board of Finance Emergency Fund appropriation.

**FY 23 includes** \$74.4 million for the State Board of Finance Emergency Fund appropriation.

**FY 24 includes** \$43.301 million for the State Board of Finance Emergency Fund Appropriations.

**FY 25** includes an estimated \$5.8 million for the State Board of Finance Emergency Fund Appropriations.

**(5) Year-ending Balances in the Operating Reserve:**

Laws of 2024, Chapter 18 (HB 196), states beginning in FY25, if the ending balance in the General Fund Operating Reserve exceeds 8 percent of the previous year's recurring appropriations, the excess over 8 percent is transferred to the Government Results and Opportunity Expendable Trust. Prior to FY25, this excess was transferred to the Tax Stabilization Reserve.

**(6) Appropriation Contingency Fund Appropriations:**

**FY 22** includes \$55.5 million for disaster allotments.

**FY 23** includes \$12.8 million for disaster allotments.

**FY23** includes Laws 2023, (HB 2) appropriated \$50 million from operating reserve to appropriation contingency fund in FY24.

**FY25** includes Laws 2025, (HB 2) transferred \$150 million of general funds to appropriation contingency fund in FY26, HB 2 also appropriated \$25 million from the appropriation contingency fund to the Children, Youth and Families Department.

**(7) Year-ending Balances in the Tax Stabilization Reserve:**

Laws 2020, Chapter 34 (House Bill 341) transfers from the tax stabilization reserve to the operating reserve if operating reserve balances are below one percent of appropriations, up to an amount necessary for the operating reserve to be at least one percent of total appropriations for the current year.

Laws 2020, Chapter 3 (HB 83, Section 4) provides that oil and gas emergency school tax revenue in excess of the five-year average be transferred to the Early Childhood Education and Care Fund (the "Early Childhood Trust Fund") instead of the tax stabilization reserves if reserve balances exceed 25 percent of recurring appropriations.

**(8) Tobacco Settlement Permanent Fund Reserve (established by Laws 2003, Chapter 312).**

**FY21** Laws 2020 First Special Session, Chapter 5 (HB 1, Section 6-A) allows for use of 100 percent of FY21 revenue for tobacco program fund. DFA and LFC estimate \$12 million in TSPF revenue due to expected arbitration ruling to affect FY22; Laws 2021, Chapter 60 (SB 187) allows use of 100 percent of revenue for tobacco program fund in FY22.

**FY 22** 2022 laws distribute 100 percent of Tobacco Settlement Permanent Fund Revenues, or \$36.5 million were transferred to the Tobacco Settlement Program Fund.

**FY24** Chapter 25, (Senate Bill 116 ("SB 116")) stipulates that the FY24 is the last year the Tobacco Settlement Permanent Fund is considered a reserve fund.

**(9)** The General Fund Financial Summary reflects the December 2025 consensus revenue estimate. FY2024 revenues exceeded FY2023 by 12.6 percent and FY2025 revenues are estimated exceed FY2024 revenues by 1.7%.

**(10)** Laws of 2024, Chapter 18 (House Bill 196 ("HB 196")), created the Government Results and Opportunity Expendable Trust. Prior in FY25. HB 196 also makes Government Results and Opportunity Expendable Trust a reserve fund only FY25. This fund is estimated to add \$522 million to reserves in FY25. 2025's HB 2 makes Government Results and Opportunity Expendable Trust, a reserve fund an additional year (FY26).

**(11)** Laws of 2025, (Senate Bill 1), creates two funds to provide long-term, sustainable support for behavioral health services. SB 1 creates the Behavioral Health Trust Fund and the Behavioral Health Program Fund. SB 1 also makes Behavioral Health Trust Fund Trust a reserve fund for FY26 and FY27.

*Source: DFA Economic Unit and Financial Control Division*

## **General Fund Taxes and Revenues**

Programs and operations of the State are predominantly funded through a system of 28 major taxes, and a substantial number of minor taxes, administered by the TRD. Previously the Office of the Superintendent of Insurance collected taxes on insurance premiums; now the TRD collects those taxes. The Regulation and Licensing Department collects professional licensing fees and a number of charges for regulating activities and professions in the state. In addition, interest income and earnings from the Land Grant Permanent Fund (the "LGPF"), the Severance Tax Permanent Fund (the "STPF") and cash balances invested by the State Treasurer's Office provide important sources of revenue for State purposes. The most important tax and revenue sources, as measured by magnitude of revenue generation, and the application of the monies to certain funds and purposes, are described below.

### ***Gross Receipts and Compensating Taxes***

The gross receipts tax is levied on the total amount of money or the value of other consideration received from selling tangible and certain intangible personal property in the State, from leasing property employed in the State, from performing services in the State and from research and development services performed outside the State on products initially used in the State. The tax is remitted by the seller but generally passed on to the purchaser. The compensating tax is imposed generally on property used in the

State but purchased elsewhere. Gross receipts and compensating taxes are due on the 25th day of the month following the month in which the transaction occurs.

The general presumption is that all receipts of a person engaging in business are subject to the gross receipts tax, even though there are over 100 specified exemptions and deductions from gross receipts taxation. Exemptions from the gross receipts tax include, but are not limited to, certain receipts of governmental agencies and certain nonprofit organizations; receipts from the sale of certain vehicles; occasional sales of property or services; wages; certain agricultural products; and dividends, interest and receipts from natural gas, oil or mineral interest sales or leases. Deductions from the gross receipts tax include, but are not limited to, receipts from various types of sales or leases of tangible personal property or service; receipts from certain sales of property to governmental agencies or to certain nonprofit organizations; receipts from certain processing of some agricultural products; receipts from certain publication sales; certain receipts from interstate commerce transactions; and as set forth below, certain food and medical services as of January 1, 2005.

The combination of gross receipts and compensating taxes is the single largest source of State General Fund revenue. The gross receipts tax is also a significant source of revenue for cities and counties. The gross receipts tax includes the 4.875 percent statewide gross receipts tax levy, plus city and county local-option gross receipts taxes. During the 2022 legislative session, House Bill 163 reduced the state gross receipts and compensating tax rate from 5.125 percent to 4.875 percent. The reduced gross receipts and compensating tax rates were reduced in two rounds of one-eighths percent reductions. The first one-eighths percent reduction was effective on July 1, 2022, bringing the state gross receipts and compensating tax rate to 5.0 percent. The second one-eighths percent reduction was effective on July 1, 2023, reducing the rates down to 4.875 percent. Receipts from the statewide gross receipts tax levy, less certain disbursements, are deposited in the State's General Fund. The disbursements include 1.225 percent of the taxable gross receipts reported in each incorporated municipality to that municipality. The County Equalization Distribution is made annually from State gross receipts tax revenues; it has averaged \$42.6 million over the past five years. After all other distributions, the General Fund share of gross receipts tax collections was 34 percent in Fiscal Year 2024 and is expected to be about 31 percent for subsequent years based on the current General Fund forecast.

Receipts from the compensating tax, less distributions, are transferred to the General Fund. Compensating tax distributions include 15 percent to the small cities assistance fund and 10 percent to the small counties assistance fund, and a distribution to municipalities based on the level of their taxable gross receipts. The current distribution percentages were updated in Fiscal Year 2012 and went into effect during Fiscal Year 2014. Past legislation increased the distribution to small cities from 10 percent to 15 percent, increased the minimum distribution to small cities from \$35,000 to \$90,000 and amended the statute to allow for larger distributions to small counties.

The Gross Receipts and Compensating Taxes underwent several modifications and adjustments since 2005. The most recent legislative changes are discussed below followed by a historical overview of the changes in the tax rates and tax structure.

In Fiscal Year 2024, total distributions to the General Fund from gross receipts and compensating taxes increased by 2.1 percent over the previous Fiscal Year to \$4.1 billion, comprising 34 percent of recurring General Fund revenue.

In the 2021 regular legislative session, Senate Bill 1 ("SB 1") amended the state's gross receipts tax structure. It established a four-month gross receipts tax holiday for food and beverage establishments that have been financially affected by the pandemic. This includes restaurants, bars, food trucks, small breweries, wineries, and craft distilleries. Additionally, during the 2021 special session, SB 1 was passed

to expand the Local Economic Development Act (“LEDA”). SB 1 allows for a permanent mechanism for tax revenue sharing for certain new large LEDA projects. The bill allows 50 percent of some State and local gross receipts tax and compensating revenue from large LEDA projects (over \$350 million in construction and infrastructure costs) to be placed into the LEDA fund to help with recruitment of those large projects. Only costs associated with new construction of the project will be subject to this provision, and the Economic Development Department (“EDD”) and all local governments affected must agree to the revenue sharing.

The 2019 legislative session created several substantive changes to the gross receipts and compensating taxes through House Bill 6 (“HB 6”). These changes include Hospital Tax Reform and Remote Sellers (effective July 1, 2019), Marketplace Facilitators (effective July 1, 2019, and July 1, 2021), and Tobacco Products (effective July 1, 2019).

Prior to Hospital Tax Reform, there was a discrepancy between for-profit hospitals being taxed and nonprofit and governmental hospitals, which were not being taxed. These hospitals were virtually untaxed at the State level despite more than \$5 billion in annual gross receipts. The uneven tax playing field for hospitals interferes with the market, creating economic inefficiencies with strong incentives for hospitals to adopt preferential corporate structures. HB 6 mostly corrects this decades-old inequity, subjecting 40 percent of gross receipts of for-profit, nonprofit, and governmental hospitals to the State portion of the gross receipts tax and the governmental gross receipts tax (“GGRT”), leaving a 60 percent deduction (amending what had been a 50 percent deduction for for-profit hospitals). Taxing nonprofit and governmental facilities along with for-profits at nearly identical rates is a key step to applying the tax in a more equitable manner. However, in order to achieve these nearly identical rates, the bill removes the non-profit hospitals from local taxation. Local gross receipts tax increments apply to for-profit hospitals after the 60 percent deduction is applied, and municipalities also receive the related 1.225 percent distribution from the State.

This reform measure brings nonprofit hospitals into the State gross receipts tax base and governmental hospitals into the GGRT base. It repeals the for-profit hospital tax credit of Section 7-9-96.1 NMSA 1978, helping to better level the playing field for hospitals at the State tax level.

**TABLE 11**  
**Hospital Tax Reform – State Taxation**

|                | Prior Law   |           |            | Current Law (Effective July 1, 2023) |            |            |
|----------------|-------------|-----------|------------|--------------------------------------|------------|------------|
|                | For-Profit  | Nonprofit | Government | For-Profit                           | Nonprofit  | Government |
| State Tax Rate | 4.875% GRT  | n/a       | n/a        | 4.875% GRT                           | 4.875% GRT | 5.0% GGRT  |
| Credits        | 3.75% to 5% | n/a       | n/a        | n/a                                  | n/a        | n/a        |
| Deductions     | 50% GRT     | n/a       | n/a        | 60% GRT                              | 60% GRT    | 60% GGRT   |

The Remote Sellers and Marketplace Facilitators component of HB 6 taxes remote (internet) sales immediately and then applies local gross receipts tax increments and moves to destination-based sourcing (sourcing at the location of the buyer rather than the seller) with a two-year delay (effective July 1, 2019, and July 1, 2021, respectively).

The transition to destination-based sourcing was a significant change to the structure of the gross receipts tax and required much preparation by the TRD and taxpayers. HB 6 distributed \$24 million annually from the General Fund to local governments in Fiscal Year 2020 to Fiscal Year 2021 until the local increments were applied to remote sales. (During the 2020 first special session, HB 6 increased the maximum annual amount in Fiscal Year 2021 to \$48 million with a caveat that the amount may be reduced if federal dollars are provided to all local governments.) With destination-based sourcing all

sales will have an in-state location, so current gross receipts tax transactions coded as out-of-state will be shifted into counties and municipalities (if inside municipal boundaries).

HB 6 increases the excise tax on cigarettes, taxes e-cigarettes and vaping products such as e-liquids and reduces taxes on cigars (effective July 1, 2019). The bill changes the cigarette excise tax to \$0.10 per cigarette, reduces the excise tax on cigars to \$0.50 per cigar (instead of the current 45 percent of wholesale value), and brings e-cigarettes and vaping products into the tobacco products tax base. The excise tax rate on e-liquid is 12.5 percent of the product value, and for closed-system cartridges, the excise rate is \$0.50 per cartridge.

Lastly, HB 6 brought the State compensating tax rates for services and tangible property into alignment and applies local government gross receipts tax increments to the compensating tax to equalize the rates (effective July 1, 2021). Historically, the legislative and executive branches modified the State's gross receipt tax laws since 2005. In 2005, the Legislature made a number of changes to the State gross receipts tax laws in Sections 7-1-6.16, 7-1-6.46, 7-1-6.47, 7-9-92 and 7-9-93 NMSA 1978. The credit of 0.5 percent granted to municipalities against the statewide rate was eliminated. The tax on food for off-premise consumption and certain medical services also was eliminated. The 2005 legislation also provided for payments from the State to reimburse local governments for all lost gross receipts tax revenues due to these deductions. Legislation in 2007 froze the rate, but not the size, of these payments for counties with a population over 48,000 and municipalities with a population greater than 10,000 or greater than average per capita taxable gross receipts.

After the 2005 legislative changes, retailers are required to report receipts from sales of groceries to claim the deduction. The deduction does not apply to receipts of restaurants or sales of prepared foods. The legislation also created a gross receipts tax deduction for some receipts of licensed healthcare providers (broadly defined) from Medicare Part C and managed healthcare plans, and healthcare insurers. This medical deduction was modestly expanded in the 2007 legislative session and once again in 2023 through the expansion of the medical deduction to include copayments and deductibles. In the 2013 legislative session, a bill was enacted that, among other things, will eliminate these payments to certain large local governments over a 15-year period that began in Fiscal Year 2016. In 2022, amendments for the reimbursement distributions under 7-1-6.46 and 7-1-6.47 NMSA 1978 froze certain municipal distributions at a fixed percentage depending on their poverty rate in relation to the state poverty rate and if they did not enact a municipal hold harmless gross receipts tax.

### ***Personal Income Tax***

New Mexico's personal income tax structure experienced several significant changes to address taxpayer behavior, simplification of the tax code, improve tax code equity as well as address any external economic shocks since 2003. The most current legislative changes to the state's personal income tax structure is outlined below followed by a high-level overview of past legislative changes to the personal income tax code in 2003.

In Fiscal Year 2024, total distributions to the General Fund from personal income tax were \$2.193 billion, a decrease of 12.8 percent from the previous Fiscal Year. The decrease is attributable in part to non-recurring rebates that were passed during the 2022 and 2023 legislative sessions and continued to be issued in Fiscal Year 2024. Tax rebates issued in Fiscal Year 2024 totaled \$14.4 million, while tax rebates for Fiscal Year 2023 were \$775.5 million. The decrease in revenue stems from shifting pass-through entity tax revenue from being recognized under personal income tax to being recognized under corporate income tax. Pass-through entities have a closer alignment with corporate income tax in part with the option to elect paying an entity-level tax created during 2022 legislation. This accounting

change occurred at the half-way point of Fiscal Year 2024. Accounting for recurring activity only, personal income tax generated approximately 17 percent of total recurring General Fund revenue.

During the 2024 legislative session, the personal income tax structure was amended with lower income tax rates and with an additional income tax bracket to take effect on January 1, 2025. The tax rate for the lowest income bracket falls from 1.7 percent to 1.5 percent. This legislation also adds an additional income tax bracket at a tax rate of 4.3 percent applicable to income ranges of \$16,501 to \$33,500 for single filers and estates, \$25,001 to \$50,000 for married filing joint, surviving spouse and head-of-household, and \$12,501 to \$25,000 for married filing separate. The taxable income ranges subject to the current 4.7 percent and 4.9 percent rates were also modified upwards. The overall effect of the personal income tax bracket amendment is to reduce the tax liability for all personal income tax taxpayers.

Tax Year 2025 and forward state tax rates are set forth below:

| <b>If the taxable income is:</b> | <b>Married Filing Separate:</b>               | <b>If the taxable income is:</b> | <b>Surviving Spouse, Married Filing Joint and Head of Household:</b> |
|----------------------------------|-----------------------------------------------|----------------------------------|----------------------------------------------------------------------|
| Not over \$4,000                 | 1.5% of taxable income                        | Not over \$8,000                 | 1.5% of taxable income                                               |
| \$4,001 to \$12,500              | \$60.00 plus 3.2% of excess over \$4,000      | \$8,001 to \$25,000              | \$120.00 plus 3.2% of excess over \$8,000                            |
| \$12,501 to \$25,000             | \$332.00 plus 4.3% of excess over \$12,500    | \$25,001 to \$50,000             | \$664.00 plus 4.3% of excess over \$25,000                           |
| \$25,001 to \$50,000             | \$869.50 plus 4.7% of excess over \$25,000    | \$50,001 to \$100,000            | \$1,739.00 plus 4.7% of excess over \$50,000                         |
| \$50,001 to \$157,500            | \$2,044.50 plus 4.9% of excess over \$50,000  | \$100,000 to \$315,000           | \$4,089.00 plus 4.9% of excess over \$100,000                        |
| Over \$157,500                   | \$7,312.00 plus 5.9% of excess over \$157,500 | Over \$315,000                   | \$14,624 plus 5.9% of excess over \$315,000                          |
| <b>If the taxable income is:</b> | <b>Single Including Trust and Estates:</b>    |                                  |                                                                      |
| Not over \$5,500                 | 1.5% of taxable income                        |                                  |                                                                      |
| \$5,501 to \$16,500              | \$82.50 plus 3.2% of excess over \$5,500      |                                  |                                                                      |
| \$16,501 to \$33,500             | \$434.50 plus 4.3% of excess over \$16,500    |                                  |                                                                      |
| \$33,501 to \$66,500             | \$1,165.50 plus 4.7% of excess over \$33,500  |                                  |                                                                      |
| \$66,501 to \$210,000            | \$2,716.50 plus 4.9% of excess over \$66,500  |                                  |                                                                      |
| Over \$210,000                   | \$9,748.00 plus 5.9% of excess over \$210,000 |                                  |                                                                      |

The Capital Gain Deduction is restricted to the maximum deduction of either \$2,500 (from \$1,000) of net capital gain or 40 percent of the taxpayer's net capital gain income up to \$1,000,000 during the 2024 legislative session. The latter was also amended to limit the capital gain income from the sale of a New Mexico business only. The Armed Forces Retirement Pay Exemption made the \$30,000 exemption permanent and expanded the eligible taxpayers to include the surviving spouse of an armed forces retiree. The 2023 legislative session approved an additional income tax rebate to mitigate the high costs of inflation to taxpayers. The rebate amount was \$1,000 for heads of household, surviving spouses, and married individuals filing jointly and \$500 for single individuals and married individuals filing separately.

During the 2022 legislative session, the Child Income Tax Credit was enacted effective January 1, 2023, to January 1, 2032. The amount of the credit is graduated based on the taxpayers' adjusted gross income and is refundable. The rebate ranges from \$25 to \$600 with these rebate amounts revised with legislation passed during the 2023 legislative session. The rebate amounts available under the Child Income Tax Credit will be indexed to the consumer price index to adjust for inflation. In tax year 2023, the Child Income Tax Credit issued \$131.5 million to taxpayers.

Additionally in 2022, the Social Security Income Exemption from personal income taxes was enacted. A tax filer with adjusted gross income at or below the following amounts: \$75,000 for married, filing separate; \$150,000 for heads of household, surviving spouses, and married filing joint; and \$100,000 for single tax filers, may claim an exemption equal to the social security income included in



adjusted gross income as determined on a taxpayer's federal tax return. The exemption was effective beginning tax year 2022. In tax year 2022, the Social Security Income Exemption exempted \$79.6 million from personal taxable income for taxpayers and \$83.4 million in tax year 2023.

During the 2021 legislative session, the Working Families Tax Credit was increased from 17 percent to 20 percent of the federal earned income tax credit, effective for tax years 2021 and 2022, and then increased to 25 percent of the federal earned income tax credit, effective January 1, 2023. In tax year 2022, the Working Families Tax Credit issued \$89.8 million to taxpayers. Effective for tax year 2021, the rebate amounts available under the Low-Income Comprehensive Tax Rebate were increased for each income and exemption levels and indexed to the consumer price index to adjust for inflation. The law also raises the maximum income level for eligibility from \$22,000 to \$36,000. In tax year 2022, the Low-Income Comprehensive Tax Rebate issued \$46.9 million to taxpayers and \$44.2 million in tax year 2023.

During the 2019 legislative session, personal income tax changes include amending the Working Families Tax Credit, the Capital Gain Deduction and creating a new Dependents Deduction. The Working Families Tax Credit was increased from 10 percent to 17 percent of the federal earned income tax credit (effective for tax years starting on or after January 1, 2019). The Capital Gain Deduction on a percentage basis was reduced from 50 percent to 40 percent of the taxpayer's net capital gain income for the taxable year. The Dependents Deduction created a personal income tax deduction of \$4,000 for every dependent beyond the first claimed by a taxpayer (effective for tax years starting on or after January 1, 2019). The 2019 legislative personal income tax changes were codified under the Income Tax Act, Chapter 7, Article 2 NMSA 1978.

### ***Corporate Income Tax***

The corporate income tax is imposed on the net income of a corporation doing business in the State or deriving any income from property or employment in the State by Section 7-2A-3 NMSA 1978. Collections, net of refunds, are transferred to the General Fund. Corporations are required to file a return on or before the 15th day of the third month following the end of each taxable year at which time corporate income taxes are also due. A corporation is required to make estimated tax payments if the tax, net of credits, is \$5,000 or more. Insurance companies do not pay corporate income tax; rather, they pay a tax on insurance premiums. Nonprofit organizations and retirement trust funds do not pay corporate income tax.

During the 2024 legislative session, House Bill 252 ("HB 252") simplified the corporate income tax structure by changing it from a two-tiered marginal rate system to a single corporate income tax rate of 5.9 percent for corporate filers. For tax year 2025, the corporate income tax rate is a flat rate of 5.9 percent. Prior to tax year 2025, there was a graduated table where tax rates were 4.8 percent on the first \$500,000 or less of taxable income and 5.9 percent on income in excess of \$500,000. Corporate income tax generated 5 percent of total recurring General Fund revenue for Fiscal Year 2024.

In Fiscal Year 2024, the General Fund received \$627.2 million from corporate income taxes, which was a 42.8 percent increase compared to Fiscal Year 2023. That increase was driven by the shift of pass-through entity tax revenue from personal income tax to corporate income tax. As noted above in the section entitled "Personal Income Tax", the accounting change is a recognition that these taxpayers are more closely aligned with corporate filers. This accounting change occurred at the half-way point of Fiscal Year 2024 and the revenue impact is estimated at \$190.2 million. Fiscal Year 2025 will be the first full year of this revenue being recognized under corporate income tax. During Fiscal Year 2024, the state spent \$102.2 million on the Film Production Tax Credit which was approximately \$2 million higher than the previous year. The Consensus Revenue Estimating Group (CREG) forecasted that the Film Production Tax Credit will increase from \$102.2 million in Fiscal Year 2024 to \$220.8 million in Fiscal Year 2029. The Film Production Tax Credit includes "non-film partners" and "New Mexico film

partners”. The latter are defined as those who have a commitment of 10 years or more by entering into a 10-year lease agreement or by purchasing a qualified production facility. New Mexico film partners are excluded from the Film Production Tax Credit cap outlined in House Bill 547 of the 2023 legislative session. The growth in the tax credit is driven in part by the increase of the annual cap for non-film partners by \$10 million every year until it reaches \$160 million in Fiscal Year 2029. (See “*Major Legislative Actions; Tax Credits*”). The increase in the CREG estimate for the Film Production Tax Credit reflects recent legislative changes. It is expected that the anticipated growth in the number of film partners in New Mexico—who are not subject to the annual cap—will lead to an increase in the claims for the film credit over the forecast period.

In addition to the change to the corporate tax rate, HB 252 eliminated the sunset provision for the Electric Generation Tax, allowing certain generators to use a single sales factor when calculating their corporate income tax. The bill also established several corporate tax credits: including the Clean Car Income Tax Credit beginning tax year 2024 through tax year 2030 and the Advanced Energy Equipment Tax Credit beginning tax year 2025 through tax year 2033. The latter provides a credit equal to the lesser of 20 percent of qualified expenditure or \$25 million per calendar year. These credits also have corresponding personal income tax credits.

### ***Major Legislative Actions; Tax Credits***

In recent years, a number of credits administered through the corporate and personal income tax system have been enacted. These include: the film production credit, enacted as Section 7-2F-1 NMSA 1978; conveyance of real property tax credit, enacted as Sections 7-2-18.10 and 7-2A-8.9 NMSA 1978; the rural jobs tax credit, enacted as Section 7-2E-1.1 NMSA 1978; the sustainable building tax credits, enacted in a series of statutes including the most recent credits under Sections 7-2-18.32 and 7-2A-28.1 NMSA 1978; and the renewable energy production tax credit, enacted as Sections 7-2-18.18 and 7-2A-19 NMSA 1978. The New Mexico Legislature has taken various legislative actions since 2019 to adjust and address concerns related to the Film Production Tax Credit.

During the 2019 legislative session, Senate Bill 2 (“SB 2”) was enacted to amend the Film Production Tax Credit Act to pay off the film credit backlog up to set amounts (up to an additional \$195 million by the end of Fiscal Year 2020 plus up to an additional \$30 million contingent on Fiscal Year 2019 revenues exceeding the forecast), change the annual \$50 million “rolling” cash cap to a \$110 million cash cap, implement a \$100 million “hard” cap for liabilities in excess of the cash cap, and carve out credit payments made to production companies (referred to as “New Mexico film partners”) who purchase or sign a 10-year lease for a qualified production facility from both the cash cap and the liability cap. Legislation prior to January 2019 is detailed in the paragraphs above. In Fiscal Years 2019 and early 2020, \$129 million of the one-time additional allocations were used to remove the remaining unpaid liability. Under this modified film credit program, the CREG expects the total yearly refunds to grow to the \$110 million cash cap, plus \$45 million for film partners within a few years depending on the recovery from the COVID-19 induced recession and State operating guidelines.

Additionally, SB 2 added a requirement that the EDD shall certify a film production company’s budget in a pre-production meeting. To implement the \$100 million hard liability cap, if the total expected claims authorized for payment (minus those to film partners) for any Fiscal Year would exceed \$100 million beyond the \$110 million yearly cash cap in any Fiscal Year, the EDD is prohibited from certifying the production company’s budget. The bill eliminates the tiered system of payouts for mid-size and large productions over two to three years. It also adds another 5 percent increase to the credit value for expenditures made on location more than 60 miles outside of Bernalillo and Santa Fe Counties. This credit increase is “stackable” with either of the two existing possible 5 percent increases for filming in a qualified production facility or filming a television pilot or series (those two increases are currently mutually exclusive and remain so in the bill). This results in a maximum possible credit rebate value of

35 percent of qualified expenditures. Additionally, if, in Fiscal Years 2020 through 2022 the aggregate amount of claims authorized for payment is less than \$110 million, excluding claims by a New Mexico film partner, then the difference in that Fiscal Year or \$20 million, whichever is less, will be added to the aggregate amount of claims that may be authorized for payment in the immediately following Fiscal Year.

The bill clarifies certain definitions that were open to interpretation and has more clearly included television series in the definition of film. It repeals the non-resident crew exception limits for below-the-line crew (off-camera positions providing technical assistance during physical production) and replaces that provision with a 15 percent credit for nonresidents, provided it does not exceed 15 percent of a production's New Mexico below-the-line budget. This provision can increase to 20 percent of the New Mexico below-the-line budget if sufficient and qualified below-the-line New Mexico residents are not available. A significant number of structural changes to qualifications and reporting requirements for the industry have been revised.

The effective date of virtually all provisions of SB 2 is July 1, 2019, but the provisions of the bill apply to film production companies that commence principal photography on or after July 1, 2019. Existing statutes that are left in place for film production companies that commenced principal photography prior to July 1, 2019, that would conflict with these new provisions are clarified to not apply to these new productions. Additionally, the provision, which provides an extra \$100 million film credit payment in Fiscal Year 2019, took effect in mid-June 2019.

Lastly, HB 6, also adopted during the 2019 legislative session, required combined reporting beginning January 1, 2020, for corporate entities that file as a unitary group unless they elect to report and pay tax as a water's edge or consolidated group. More than half the states that impose a corporate income tax require combined reporting, and the Multistate Tax Commission recently testified before an interim committee that this is one of the most important steps New Mexico can take to update and reform its tax code. One of the principal purposes for enacting combined reporting is to protect state revenues against income-shifting. There are generally two ways to prevent income-shifting: (1) required combined reporting, which eliminates the intercompany transactions that permit the shift; or (2) "add back" statutes, which require separate entity filers to "add back" to their income certain intercompany payments. The change to combined reporting is likely to have a long-term positive impact.

HB 547, passed during the 2023 legislative session, further adjusts the film credit provisions. For fiscal year 2024 through fiscal year 2028, the annual cap is increased by \$10 million in each fiscal year. For fiscal year 2029 and subsequent fiscal years, the cap is set at \$160 million. Additional items for film production on or after July 1, 2023, include an additional 10 percent credit shall be applied for payments for direct production expenditures and postproduction expenditures for work, services or items provided on location for production of a film or commercial audiovisual product that is in New Mexico but at least 60 miles from the city hall of the county seat of so-called Class A counties with a net taxable value of property for property taxation purposes of greater than \$7.5 billion. An additional 5 percent credit is available for either direct production expenditures for television pilots and series with at least six episodes in a single season or meeting criteria for the use of qualified production facilities, which are different building sites intended for regularly producing films. A non-resident below-the-line crew credit is available in an amount equal to 15 percent of the payment of wages for below-the-line nonresident industry crew when certain criteria are met.

The 2024 legislative session included notable updates and changes to the state's tax code and financial stability. The State of New Mexico is maintaining healthy reserve levels and is making strategic investments and statutory changes to ensure future financial stability. SB 116 removed the Tobacco Settlement Permanent Fund balance of \$369 million from the state's reserves. To fund investments in strategic pilot programs, the Legislature provided programmatic funding through the newly created Government Results and Opportunity (GRO) program fund and the Government Results and Opportunity

expendable trust fund under HB 196. House Bill 2 (“HB 2”) outlines the appropriations from these newly created funds to specific entities/agencies under section 9. HB 196 took effect on May 15, 2024, or 90 days after the legislative session. The GRO fund is also considered a reserve account in Fiscal Year 2025 with an estimated balance of \$888 million pending any 2025 legislative actions.

Significant legislative changes to the tax structure outlined in HB 252 include adjustments to personal income tax brackets, modifications to the corporate income tax rate, and the introduction of new tax credits, as discussed in the Personal, Corporate, and Gross Receipt Tax sections above.

### ***Mineral Production Taxes***

Mineral production taxes (Resources Excise Tax, Natural Gas Processors Tax, Oil and Gas Conservation Tax and Oil and Gas Emergency School Tax) are levied on producers and others on the value of severed minerals and material resources from within the State and these taxes are disbursed to the General Fund. The Oil and Gas Emergency School Tax is imposed for the privilege of engaging in the business of severing oil, natural gas, liquid hydrocarbons and CO<sub>2</sub> from the soil of the State. The Oil and Gas Emergency School Tax is imposed at a rate of 3.15 percent of taxable value of oil and 4.00 percent of taxable value for natural gas. Taxable value reflects gross sales value less deductions for royalties paid to government entities and for certain processing and transportation expenses. The same definition of taxable value is used for calculation of oil and gas severance tax liability.

In Fiscal Year 2022, aggregate revenue from the Oil and Gas Emergency School Tax receipts totaled \$1.866 billion. Of the total mineral production taxes, \$644.2 million was distributed to the General Fund and \$1.340 billion was distributed to the Early Childhood Education and Care Fund (the “Early Childhood Trust Fund”). For Fiscal Year 2022, Oil and Gas Emergency School Tax total receipts increased by 144.5 percent compared to Fiscal Year 2021. The Oil and Gas Emergency School Tax distribution to the General Fund of \$525.7 million represents an increase of 25 percent when compared to the prior fiscal year. Other General Fund taxes on natural resource production totaled \$118.6 million. For Fiscal Year 2022, these mineral production taxes contributed 5.9 percent of recurring General Fund revenue.

During the 2023 regular session, the legislature passed Senate Bill 26 (“SB 26”), which sets Oil and Gas Emergency School Tax and Federal Mineral Leasing revenues to the general fund at Fiscal Year 2024 levels. Beginning in Fiscal Year 2025, “windfall” revenues in excess of 2024 levels will be transferred to and invested in the STPF. SB26 does not affect the transfers to the Early Childhood Trust Fund). While the State’s general fund will have an additional layer of protection from the volatility of oil and gas revenues during downcycle years, it also means these components of the general fund will not grow beyond Fiscal Year 2024 levels during upcycle years. However, the greater investment in the STPF will yield greater contributions from STPF earnings back to the general fund in the future.

SB 26 is intended to prevent the State’s recurring general fund revenue dependence on oil and gas from growing in the future. At the same time, it is intended to prevent recurring general fund revenues from declining in future years, despite expected declines in future oil and gas production, because the interest earned on the additional deposits to the STPF will offset those expected declines.

In Fiscal Year 2024, aggregate revenue from the Oil and Gas Emergency School Tax receipts totaled \$1.81 billion. Of the total mineral production taxes, \$1,313.0 million was distributed to the General Fund and \$665.2 million was distributed to the Early Childhood Trust Fund. Fiscal Year 2024 Oil and Gas Emergency School Tax total receipts decreased by 8.9 percent compared to Fiscal Year 2023. The Oil and Gas Emergency School Tax distribution to the General Fund of \$1,145.4 million represents an increase of 36.7 percent when compared to the prior Fiscal Year. The \$1,145.4 million level sets the fixed distribution amount to the General Fund under SB 26, as long as revenues from Oil and Gas Emergency School Tax

remain above that level. Other General Fund taxes on natural resource production totaled \$167.6 million. For Fiscal Year 2024, these mineral production taxes contributed 10.0 percent of recurring General Fund revenue.

### ***Local Law Developments Regarding Oil and Gas***

Several local governments in the State have proposed or adopted laws that could have the effect of limiting natural resource extraction in those jurisdictions. No local government in which a significant extraction of natural resources occurs has enacted laws limiting natural resource extraction.

To date, the proposal and enactment of local laws has not had a material effect on the amount of severance tax revenues collected by the State. While future actions by local governments relating to natural resource extraction are not predictable, litigation challenging any restrictive local enactments would be a likely consequence of such actions.

### ***Royalties, Rents and Bonuses***

*Federal Lands.* Under terms of the 1920 Federal Mineral Leasing Act, the State receives 50 percent of all income generated from leasing federal lands located in the State for mineral production. Principal sources of income are royalty payments on oil and natural gas production. Additional income is derived from bonus payments for oil and natural gas leases and royalty payments on production of coal, potash and other minerals. The United States Department of the Interior's Office of Natural Resources Revenue (the "ONRR") collects federal mineral lease income and deducts two percent from the State's share for administrative costs. The State receives payments on a monthly basis and makes deposits to the General Fund. At the end of the fiscal year, federal mineral receipts above the five-year average are transferred to the Early Childhood Trust Fund and the remainder is distributed to the General Fund. In Fiscal Year 2024, gross total distributions from federal mineral leases totaled \$2.825 billion, of which \$1.645 billion was distributed to the General Fund. The net federal mineral leasing distribution to the General Fund equals 12.6 percent of recurring General Fund receipts for the Fiscal Year. Following the passage of SB 26 (Chapter 22, Laws 2023), beginning in Fiscal Year 2025, the amount of federal mineral leasing payments the General Fund can receive will be capped at Fiscal Year 2024 levels, and any revenue above that amount, but below the five-year average, will be invested in the STPF. The \$1.645 billion in Fiscal Year 2024 represents the fixed distribution amount to the General Fund going forward. In 2025 House Bill 71 temporarily reallocated 50% of the federal mineral receipts above the rolling five-year average to the newly created Medicaid Trust Fund. Beginning in Fiscal Year 2029, 100% of this excess revenue will return to the Early Childhood Trust Fund.

Federal Fiscal Year 2009 appropriations bills implemented a two percent administrative fee cut from the federal royalty payments to states. This two percent fee was extended each federal fiscal year since 2009 and extended for 10 years in the 2013 Bipartisan Budget Act. Approximately \$11.6 million was deducted in Fiscal Year 2018, \$22.9 million was deducted in Fiscal Year 2019, \$16.3 million was deducted in Fiscal Year 2020, \$16.2 million was deducted in Fiscal Year 2021, and \$45.1 million was deducted in Fiscal Year 2022.

### ***Royalty Resiliency Act: Impacts on Collections or Royalty Payments***

In 2024, Congress passed into law the "Royalty Resiliency Act" (H.R. 7377), changing the way oil and gas leaseholders account for and remit royalties on federal lands. Previously, the ONRR determined the allocation of royalty payments among federal and state lands. After the effective date of the Royalty Resiliency Act (September 20, 2024), oil and gas leaseholders are to propose an allocation and remit royalties based on their proposed allocation until ONRR issues its determination of royalty allocations. While the allocation among such royalties in New Mexico was previously allocated

approximately as two-thirds federal lands and one-third state lands, it is unknown if the allocation by leaseholders will be changed or, perhaps more importantly, delayed, while ONRR resolves a backlog of approximately 800 royalty allocation cases. While these state royalty payments are not pledged to the Bonds or any other debt obligations, these delays and changes to allocation methodology could impact contributions to state trust funds, although it is too soon to estimate the amount of such decreased royalty collections.

*State Trust Lands.* The Commissioner of Public Lands and the State Land Office manage lands acquired by the State under the federal Fergusson Act and the Enabling Act for New Mexico enacted prior to statehood, as well as under the State Constitution. All income from State trust lands is dedicated to specific institutions; each section of State trust land has a specific named beneficiary institution. As with federal lands, the oil and natural gas industry is the principal source of revenue from State trust lands. Bonus income is also collected in the form of cash payments as a result of competitive bidding for State leases. Rentals and bonus income are distributed to the respective beneficiary institutions. The largest beneficiary group is the State's public school system. Mineral production from State trust lands also generates royalty income, which is deposited in the LGPF. Royalties are imposed on most mineral production values at the rate of 12.5 percent, although there is a provision for rates of up to 20 percent for new leases on developed acreage. LGPF beneficiaries and "State lands" beneficiaries are the same institutions and public schools. In Fiscal Year 2024, distributions to the General Fund from the State Land Office totaled \$117.8 million, an increase of over \$35.3 million over Fiscal Year 2023.

Most productive state trust lands are already under lease, with royalty rates ranging from 12.5% to 20%. However, Senate Bill 23 (2025) modifies the royalty structure for new leases issued after July 1, 2025, increasing the rate to a range of 20% to 25%. While initial lease terms are five years, they can be extended indefinitely as long as the land remains productive. As a result, the immediate impact of the new rates on production or revenue may be limited. Nevertheless, going forward as new leases are established SB23 is expected to generate additional revenue through the higher royalty rates, with estimated increases to the Land Grant Permanent Fund of approximately \$50 million in Fiscal Year 2028 and \$75 million in Fiscal Year 2029.

### ***Investment Income***

Investment earnings credited to the General Fund are from three primary sources: the LGPF, the STPF, and cash balances invested by the State Treasurer. A percentage of market value from the LGPF is distributed among the beneficiary institutions and public schools. The allocation received by the public schools, which was approximately 90.1 percent in Fiscal Year 2024, is deposited in the General Fund. For Fiscal Year 2024, \$1.21 billion of LGPF distributions were transferred to the General Fund for public school purposes. In Fiscal Year 2024, the State distributed \$289.6 million of income from the STPF, all of which was deposited in the General Fund. In Fiscal Year 2024, the Treasurer's cash balances produced approximately \$481.6 million in income, including mark-to-market unrealized gains. After adjustments to reflect payments to the self-earnings accounts, the income credited to the General Fund was \$389.7 million. Total investment earnings from these three sources is 14.5 percent of recurring General Fund receipts.

## **Review of Results and Projections in the General Fund State Budget for Fiscal Years 2020 through 2025**

***Fiscal Year 2020.*** The 2020 Special Session was held in June to address the State's fiscal outlook. The 2020 Special Session adjusted the General Fund recurring budget downward by \$414 million to \$7.2 billion and the nonrecurring budget downward by \$183.7 million to \$138.4 million.

The September 2020 forecast outlook was a direct result of both the oil price volatility experienced in early 2020 from the Saudi Arabia and Russia oil price war and the continuing COVID-19 healthcare crisis. While the forecast weighed all available information, the nature of the situation at the time was unprecedented. The actual outcomes for the State's finances at the time were dependent on a variety of factors: the epidemiological path of the virus, the strategies for reopening the New Mexico and U.S. economies, the time it would take consumer confidence to rebound, the effect of business closures on the long-term viability of the State's businesses, the degree to which temporary layoffs become permanent, and the impact of global oil supply and demand on oil prices and the associated effect on the State's oil production.

Fiscal Year 2020 recurring revenues were \$7.86 billion, representing a decline of 1.9 percent over Fiscal Year 2019 levels. Oil- and natural gas-related revenues were projected to decrease by 22.2 percent compared to Fiscal Year 2019 levels. However, after considering an unprecedented federal land lease payment of \$497 million, oil and natural gas revenues increased by 9.9 percent. In Fiscal Year 2020 New Mexico oil prices averaged \$44.02 per barrel, while New Mexico's natural gas prices averaged \$1.91 per mcf. Oil volumes increased by 23.4 percent in Fiscal Year 2020, and natural gas volumes increased by 11.3 percent. Gross receipts tax revenue increased by 11.9 percent over the prior fiscal year. Non-oil- and natural gas-related revenue increased by 3.4 percent.

***Fiscal Year 2021.*** All states across the country were impacted by the COVID-19 pandemic, however, most reported better-than-expected revenue collections and improved forecasts throughout Fiscal Year 2021. The State of New Mexico was no different, and the overall economic impact of the COVID-19 pandemic hindered economic activity and State revenues in Fiscal Year 2021. However, State revenues did not decline as much as expected in early revenue estimates of Fiscal Year 2021 due to several factors. First, the 2020 economic downturn impacted various sectors of the economy differently. Low-wage sectors such as leisure and hospitality bore the brunt of the economic downturn, while high-wage sectors such as professional/business services, healthcare, and finance all but recovered. Second, the negative impacts of the economic downturn were mitigated by unprecedented national fiscal stimulus measures totaling \$5.9 trillion. These fiscal stimulus packages are the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") (\$2.4 trillion), the December 2020 stimulus package (\$900 billion), and, in early 2021, the American Rescue Plan Act ("ARPA") (\$1.9 trillion). The three fiscal stimulus measures provided crucial assistance and prevented an even worse downturn. Measures employed included unemployment insurance, stimulus checks to individuals, aid to small businesses, and aid to state and local governments. Gross receipts tax revenues did not decline as severely as prior forecasts expected, mainly due to federal fiscal and monetary policy interventions. Personal income tax revenue increased by 12.5 percent when compared to the prior year. Lastly, in New Mexico, the better-than-expected oil price recovery and oil production had a significant impact on overall General Fund revenues. According to the December 2021 consensus revenue forecast, Fiscal Year 2021 recurring revenues were \$8 billion, representing an increase of 2.9 percent over the Fiscal Year 2020.

Fiscal Year 2021 felt the impact of the oil price volatility experienced in early 2020 from the Saudi Arabian and Russian oil price war and the impacts of the COVID-19 pandemic. However, the oil markets experienced a better-than-expected oil price recovery. According to the U.S. Energy Information Administration, the West Texas Intermediate ("WTI") oil prices reached a monthly average of \$39.40 per

barrel in October of 2020 and gained ground to \$59.05 per barrel by February 2021. In March 2021, WTI prices reached above \$65 per barrel. Gross oil- and natural gas-related revenues increased by 12 percent compared to Fiscal Year 2020. In Fiscal Year 2021, New Mexico oil prices averaged \$50.58 per barrel, while natural gas prices averaged \$3.40 per mcf. Oil volumes increased by 10.8 percent, and natural gas volumes increased by 16.8 percent in Fiscal Year 2021.

In Fiscal Year 2021, the State was also influenced by two federal executive orders impacting the oil and natural gas industry, both issued in the second half of January. The “Executive Order on Tackling the Climate Crisis at Home and Abroad” paused new federal land leases but did not directly impact existing leases nor did it impact existing or pending permits at the time. This executive order did not have an end date. But in June 2021, a federal judge issued a preliminary injunction requiring the Interior Department to resume leasing of federal onshore and offshore properties for oil and gas exploration. The Secretarial Order 3395 issued a 60-day pause on administrative authority from Bureau of Land Management (“BLM”) field staff to approve leases, rights of way, surface disturbances, and permits to drill. This order expired on March 21, 2021, and the U.S. Department of Interior stated that BLM officials would process applications for permits. The federal executive orders had minimal impact on New Mexico oil production.

***Fiscal Year 2022.*** In Fiscal Year 2022, recurring revenues were \$9.67 billion, representing an increase of 19.7 percent over Fiscal Year 2021. Oil- and natural gas-related revenues to the General Fund increased by 9.15 percent. New Mexico oil prices averaged \$88.11 per barrel, while New Mexico natural gas prices averaged \$7.03 per mcf. Oil volumes increased by 30 percent in Fiscal Year 2022, and natural gas volumes increased by 21.1 percent. Non-oil- and natural gas-related revenue increased by 21.7 percent. The stronger growth in Fiscal Year 2022 is mainly due to strong gross receipts and personal income tax revenue.

***Fiscal Year 2023.*** In Fiscal Year 2023, recurring revenues were \$11.6 billion, representing an increase of 19.8 percent over Fiscal Year 2022. Oil and natural gas related revenues deposited to the General Fund increased by 9.15 percent. New Mexico oil prices averaged \$80.65 per barrel, while New Mexico natural gas prices averaged \$5.40 per mcf. Oil volumes increased by 23.7 percent in Fiscal Year 2023 over Fiscal Year 2022 to a record high of 657.5 million barrels. Natural gas volumes increased by 24.6 percent over Fiscal Year 2022 to 3,234.2 BCF. Non-oil- and natural gas-related revenue increased by 14.3 percent. The stronger growth in Fiscal Year 2023 was mainly due to continued strength of post pandemic recovery with resilient consumers, increased wages and salaries, and moderating inflation. These trends impacted gross receipts and personal income tax revenue. Additionally, market interest rates were conducive to investment earnings with these revenues increasing 46.1 percent over Fiscal Year 2022 to \$1.34 billion.

***2023 Legislative Developments.*** HB 547, enacted during the 2023 Legislative Session, included changes to personal and corporate income tax brackets, reductions to gross receipt tax rates, amendments to certain tax credits, and the addition of several energy-related tax credits and rebates. However, the Governor line-item vetoed the majority of the tax law changes, including all tax bracket changes, all reductions to gross receipts tax rates, and most new tax credits such as the electric vehicle tax credit. The reason given for the line-item vetoes was that HB 547 contained tax cuts that may not be fiscally responsible in the long term.

Portions of HB 547 that were not vetoed and became law include an increased child income tax credit for taxpayers at the three lowest income levels, which may impact the general fund with decreased revenue of approximately \$102 million in Fiscal Year 2023, as well as expanded film tax credits as discussed above. The Governor also did not veto the one-time PIT rebates discussed above.



SB 26, also enacted during the 2023 Legislative Session amends the Tax Administration Act and the Federal Mineral Leasing Act to provide a distribution to the STPF of oil and gas school tax revenues and federal mineral leasing revenue. SB 26 sets the general fund amount of oil and gas emergency school tax and federal mineral leasing revenue to the estimated net general fund distribution in Fiscal Year 2024. This establishes a threshold amount from which future (Fiscal Year 2025 and beyond) net general fund revenues from oil and gas emergency school tax and federal mineral leasing revenue that exceed the threshold amount are transferred to the STPF. The transfers to the STPF occur after the transfers to the Early Childhood Trust Fund occur. SB 26 does not impact transfers to the Early Childhood Trust Fund.

Beginning in Fiscal Year 2025, SB 26 requires the transfer of only new windfall revenue and investment in the STPF. This will provide the State's General Fund with an additional layer of protection from the volatility of oil and gas revenues when such revenues decrease. The greater investment in STPF will yield greater contributions from STPF earnings back to the General Fund in the future as well. Lastly, SB 26 prevents the state's recurring general fund revenue dependence on oil and gas from growing in the future.

***Fiscal Year 2024.*** In Fiscal Year 2024, recurring revenues were \$13.05 billion in Fiscal Year 2024, representing an increase of 12.6 percent over Fiscal Year 2023. Non-oil and natural gas-related revenue increased by 6.11 percent. The growth in Fiscal Year 2024 was mainly due to strong performance in interest-earning revenues from the LGPF and State Treasurer's Office earnings. Interest earnings grew \$548.5 million or 47.3 percent year-over-year. General sales contributed to growth as well due to the continued resilience of consumers benefiting from increased wages and salaries, and moderating inflation. Oil and natural gas-related revenues to the General Fund increased by 40.5 percent. The increase in oil and natural gas direct revenues is a function of both commodity prices and continued elevated production levels. Oil production in New Mexico reached a record 708 million barrels in Fiscal Year 2024 with oil prices averaging \$78.73 per barrel and natural gas prices averaging \$3.16 per mcf. In Fiscal Year 2024, oil and natural gas volumes increased by 7.6 percent and 10.3 percent, respectively.

***Fiscal Year 2025.*** According to the December 2024 consensus revenue forecast estimated recurring revenues are expected to be \$13.3 billion in Fiscal Year 2025, representing an increase of 1.6 percent over Fiscal Year 2024. Non-oil and non-natural gas-related revenue is anticipated to increase by 2.9 percent. General sales are estimated to contribute to growth due to the continued resilience of consumers. Oil and natural gas-related revenues to the General Fund are expected to slightly decline by 2.59 percent. This is a relatively minor decline coming from small oil and gas revenue programs. The major revenues such as the oil and gas emergency school tax and federal mineral leasing revenues are now capped at Fiscal Year 2024 levels. The revenue above this cap is transferred to the Early Childhood Trust Fund and the STPF. In Fiscal Year 2025, these transfers to the Early Childhood Trust Fund and the STPF are estimated to be \$1.128 billion and \$586.6 million, respectively.

New Mexico oil prices are expected to average \$70.50 per barrel, while New Mexico natural gas prices are expected to average \$3.29 per mcf. Oil volumes are anticipated to increase by 4.9 percent in Fiscal Year 2025, and natural gas volumes are expected to increase by 3.1 percent. For Fiscal Year 2025, the consensus estimate expects oil prices to moderate due to strong levels of supply and softer demand. Additionally, New Mexico oil production is expected to grow but at a moderate pace as the oil and natural gas industry has entered the "Shale 4.0" era. This era is characterized by consolidation across the industry and producers focusing on long term planning and cash flows rather than high production growth.

Overall, general fund recurring revenues are expected to continue to grow in Fiscal Year 2025, though at a moderate pace compared to previous years.

## Education Funding Litigation

The State's process to fund public education on a uniform and adequate basis has been challenged in various courts, including the First and Eleventh Judicial District Courts.

In 2014, two different plaintiff groups filed lawsuits in the First Judicial District Court for the State of New Mexico in Santa Fe County, each of which challenged the sufficiency of school funding and the school funding formula, specifically as applied and related to the needs of at-risk students. The two lawsuits were consolidated (*Martinez, et al. v. the State of New Mexico* consolidated with *Yazzie, et al. v. the State of New Mexico*, No. D-101-CV-2014-00793) and proceeded to a bench trial in the summer of 2017. On February 14, 2019, the Court entered a Final Judgment and Order. The Court concluded that the State violated the Education Clause, the Equal Protection Clause, and the Due Process Clause of the New Mexico Constitution. The Court required the State to take necessary steps to ensure schools have resources, including funding and accountability measures, to give at-risk students an opportunity to obtain a sufficient education.

Multiple motions were filed in the Court following the February 14, 2019, Final Judgment, including a motion to dismiss filed by Defendants on March 13, 2020, a Motion to Strike Defendant's Motion to Dismiss on April 26, 2020, a motion to require the State to provide essential technology on December 24, 2020, and a motion to find non-compliance and require remedial action plan filed by Plaintiffs on September 4, 2024. The motion for non-compliance requests relief that includes provision for the Legislative Education Study Committee staff to implement a planning process to ensure the prompt development and implementation of a comprehensive remedial plan. On December 21, 2023, the New Mexico Department of Justice submitted an entry of appearance entering on behalf of the State and did not oppose the motion for non-compliance subsequently submitted by the plaintiffs. On April 29, 2025, the District Court partially granted the Plaintiff's motion for non-compliance and ordered the New Mexico Public Education Department to develop a comprehensive plan to comply with the original court ruling and file a status report for the Court's review on November 3, 2025.

In 1998, the Zuni Public School District filed a lawsuit in the Eleventh Judicial District Court for the State of New Mexico in McKinley County (*Zuni Public School District, et al., v. the State of New Mexico, et al.*, No. D-1113-CV-9800014) seeking a declaratory judgment that the State's method of funding of capital improvements for public schools violated the State Constitution's requirement to provide for a uniform and adequate system of funding capital improvements, specifically as applied and related to the needs of the students of the Zuni Public School District and Gallup-McKinley County School District No.1.

On December 29, 2020, the trial court filed a Decision and Order ruling in favor of the Plaintiffs. The December 29, 2020, order is a final appealable judgment. It provides declaratory relief in the form of a finding that the State's Public School Capital Outlay Act, NMSA 1978, Sections 22-21-1 to -12 (1975, as amended through 2020) and Public School Capital Improvements Act, NMSA 1978, Sections 22-25-1 to -11 (1975, as amended through 2020) are unconstitutional. It also enjoined the Legislature to create and implement a statutory scheme consistent with Article XII, Section 1 of the State Constitution. Notably, the decision did not expressly or indirectly reference the State's Severance Tax Bonding Act, NMSA 1978, Sections 7-27-1 to -27 (1961, as amended through 2021). The matter was appealed to the New Mexico Court of Appeals on July 19, 2021. Without ruling on the merits, the Court of Appeals issued an Order of Certification to the New Mexico Supreme Court seeking for the New Mexico Supreme Court to resolve the case on August 7, 2023.

On December 2, 2024, the New Mexico Supreme Court ruled that the case was moot because of the Legislature’s amendments to the capital outlay scheme that funds public school facilities and remanded the case to District Court for further proceedings, if any.

As these educational funding litigation cases go through potential appeals, post-trial discovery and any remedial measures, the outcomes of such litigation may impact the State’s education funding processes and could impact the State’s budget, but the extent of such impact is currently unknown.

## Federal Grants and Funding

The State economy was bolstered in 2020 and 2021 by federal funding as the State dealt with the COVID-19 pandemic. This included CARES Act funding, CRF monies, and ARPA funds. The State distributed checks to individuals who were unemployed and exhausted benefits, grants to businesses, cash assistance for those not receiving federal stimulus payments, emergency housing assistance, and food bank assistance. The State distributed federal funds through targeted grant programs. These included the Governor’s Emergency Education Relief Fund (“GEER”); the Elementary and Secondary School Emergency Relief Fund (“ESSERF”); the Higher Education Emergency Relief Funding (“HEERF”); supplemental funding for the Child Care and Development Block Grant (“CCDBG”); the Emergency Rental Assistance Program (“ERAP”); the Coronavirus Capital Projects Fund; and the Child Care Stabilization grant program, among others. The State also implemented tax rebates for low-income workers and reprieves on gross receipts taxes on sales and business services for operators at restaurants, bars, food trucks, small breweries, wineries, and craft distilleries. The total federal relief funding received by the State totaled \$2.62 billion.

### Federal Relief Assistance (2021-2022) and Subsequent Expenditures

| Funding Description                                     | Program                            | Total Awarded             | Expended                  | Percent Expended |
|---------------------------------------------------------|------------------------------------|---------------------------|---------------------------|------------------|
| Roads & Schools Title I                                 | Forest Reserve Fund                | \$ 4,585,269.00           | \$ 4,585,269.00           | 100.00%          |
| County Projects Title III                               | Forest Reserve Fund                | 5,214,865.00              | 5,214,865.00              | 100.00           |
| State Administered CDBG <sup>1</sup>                    | Community Development Block Grant  | 14,529,185.35             | 14,529,185.35             | 100.00           |
| State Administered CDBG <sup>1</sup>                    | Neighborhood Stabilization Program | 836,480.16                | 836,480.16                | 100.00           |
| State Administered CDBG <sup>1</sup>                    | Recovery Housing Program           | 1,842,621.00              | 1,842,621.00              | 100.00           |
| Distribution of Receipts to State and Local Governments | Federal Grazing-Taylor Act         | 430,930.00                | 430,930.00                | 100.00           |
| Coronavirus Relief Fund <sup>2</sup>                    | CARES Act Fund                     | 1,067,817,493.70          | 1,067,817,493.70          | 100.00           |
| Emergency Rental Assistance <sup>2</sup>                | ERAP                               | 161,485,443.00            | 141,828,677.21            | 87.83            |
| Emergency Rental Assistance                             | ERAP2                              | 122,728,936.00            | 39,902,736.59             | 32.51            |
| Homeownership Assistance Fund <sup>2</sup>              | HAF                                | 55,772,684.00             | 6,913,686.20              | 12.40            |
| State and Local Fiscal Recovery Fund <sup>2</sup>       | State Fiscal Recovery Funds        | 1,751,542,835.00          | 682,703,797.21            | 38.98            |
| State and Local Fiscal Recovery Fund <sup>2</sup>       | State Fiscal Recovery Funds-NEU    | 126,089,080.00            | 126,082,775.00            | 99.99            |
| Governor’s Emergency Education Relief Fund <sup>2</sup> | GEER I                             | 22,262,633.00             | 22,262,633.00             | 100.00           |
| Governor’s Emergency Education Relief Fund              | GEER II                            | 9,847,868.00              | 869,478.99                | 8.83             |
| Total                                                   |                                    | <u>\$3,344,986,323.21</u> | <u>\$2,114,622,537.41</u> | <u>63.22%</u>    |

<sup>1</sup> Represents multiple awards that may also be multi-year.

<sup>2</sup> Represents amounts for FY21 and FY22.

## **Severance Taxes (Not Part of General Fund)**

Severance taxes are levied on producers and others severing minerals and natural resources from within the State. Severance taxes have been levied since 1937 when the first severance tax act was adopted. Severance taxes are distinguished from several other taxes on, or revenue sources related to, valuable mineral extraction in the State, including the taxes described above. Severance taxes are collected monthly. Taxes on oil, gas and CO<sub>2</sub> are due the 25th day of the second month following the end of the sale month. Other severance taxes are due the 25th day of the month following the end of the production month, with a few exceptions.

Severance taxes are deposited in the Severance Tax Bonding Fund and pledged to the payment of principal of and interest on severance tax bonds and supplemental severance tax bonds issued in accordance with the Severance Tax Bonding Act. Revenues not required for the payment of principal of or interest on severance tax bonds as determined by the Severance Tax Bonding Act and the bond resolutions governing such outstanding bonds are transferred on a semi-annual basis to the STPF.

In 2019 and 2023, the New Mexico Legislature chose to forego the use of severance tax bonds and notes to fund most new capital. In 2024, the Legislature chose to forego the use of severance tax bonds and notes to fund new capital in FY24 but did authorize issuance in FY25. In 2019 and 2023, legislation was passed to stipulate mandatory transfers to the STPF for ten years, with the transfer equal to the estimated foregone debt service on long-term severance tax bonds that were not issued. Senate Bill 535 (now codified as NMSA 1978, Sections 7-27-10 and 7-27-10.1) was signed into law in 2019 and stipulated that the Board, by December 31 of each year for 2019 through 2028 (Fiscal Years 2020 through 2029), transfer \$23.69 million from the Bonding Fund to the STPF. Additionally, the law stipulated that the Board not issue and sell more than \$181.8 million of Supplemental Severance Tax Bonds in Fiscal Year 2019. Senate Bill 378 (now codified as NMSA 1978, Sections 7-27-10 and 7-27-10.2) was signed into law in 2023 and stipulated the Board, by December 31 of each year for 2023 through 2033 (Fiscal Years 2024 through 2034) transfer \$92.0 million from the Bonding Fund to the STPF. Like SB 535 in 2019, the bill also directed the Board to issue no more than \$682 million in Supplemental Severance Tax Bonds in Fiscal Year 2023. The amount of the STPF transfer would be considered before determining bonding capacity under the otherwise applicable statutory tests described above. The Board may determine that a lesser transfer amount is necessary per NMSA 1978, Section 7-27-8 in order to pay debt service obligations.

In 2024 the New Mexico Legislature passed House Bill 253 which amended the Severance Tax Bonding Act. The general purpose of the bill was to establish a reserve fund (the “Capital Development and Reserve Fund”) for capital projects that could be appropriated in future years and create an annual fund for appropriation that is targeted to the funding of small capital projects and design and engineering for large projects (the “Capital Development Program Fund”). For the creation of the Capital Reserve Fund, the Severance Tax Bonding Act now requires the State Board of Finance to estimate debt service savings by calculating the difference between (1) severance tax bonding capacity for appropriation pursuant to existing statutory debt limitations and Board policy on issuing level debt over 10 years and (2) a lower capacity available for appropriation that would result in stable levels of state tax-supported debt relative to the median state debt ratios published by the national municipal bond rating agencies. The Severance Tax Bonding Act also requires the State Board of Finance to distribute any cash savings resulting from reduced long-term bond issuance (i.e., the debt service savings) annually to the Capital Development and Reserve Fund. In FY24 only, the Board was authorized to issue up to \$500 million in short-term severance tax notes for distribution to the Capital Development and Reserve Fund which is held and invested by the New Mexico State Investment Council (the “State Investment Council”). The Board ultimately transferred \$475.8 million to the Capital Development and Reserve Fund.

The State Investment Council is required to distribute five percent of the average of the year-end market values of the Capital Development and Reserve Fund for the previous three calendar years each January 1 to the Capital Development Program Fund. On January 1, 2025, the State Investment Council transferred \$23.8 million to the Severance Tax Bonding Fund for the Program Fund. In 2025, those funds will be available for appropriation by the Legislature for two purposes: (1) the funding of capital projects that total less than \$5,000,000 and (2) the planning and design of capital projects that total more than \$5,000,000 (but not the funding of construction of such projects).

The minerals extracted from the State that contribute the largest portion of Severance Tax revenues are natural gas and crude oil. Severance Tax collections on natural gas and crude oil together accounted for approximately 99.8 percent of total Fiscal Year 2024 Severance Tax Bonding Fund tax receipts and 98.6 percent of total fund receipts.

Oil and natural gas production in New Mexico's portion of the Permian Basin has become a greater contributor to national oil production. This is a result of technology, geology, and economics that make the Permian Basin attractive for producers. New Mexico is the only oil-producing state to reach pre-COVID-19 production levels. Even though energy markets have experienced oil-price volatility due to international geo-political events during the past year, New Mexico's production has continued expanding at record levels.

### **Severance Tax on Indian Land**

The State can tax non-Indian oil and natural gas production on tribal land, according to United States Supreme Court precedent in *Cotton Petroleum Company v. State of New Mexico*, 490 U.S. 163, 104 L. Ed. 2d 209, 109 S. Ct. 1968 (1989). The State's authority to impose severance taxes on non-Indian oil and natural gas production on tribal land was upheld by the United States District Court in New Mexico in *Jicarilla Apache Tribe v. New Mexico Taxation and Revenue Department*, No. USDC 87-922. In 2009, the United States District Court for the District of New Mexico held that the State may not impose severance taxes on non-tribal operators extracting oil and natural gas on the tribal land of the Ute Mountain Ute Tribe. *Ute Mountain Ute Tribe v. Homans*, 775 F. Supp. 2d 1259 (D.N.M. 2009) (Parker, J.). The Tenth Circuit Court of Appeals overturned the district court opinion and held that the State severance taxes are not preempted by federal law because, among other things, the State had asserted sufficient justification for imposing the taxes. *Ute Mountain Ute Tribe v. Rodriguez*, 660 F.3d 1177 (10th Cir. 2011). The Ute Mountain Ute Tribe petitioned for an *en banc* review, which the court denied on September 12, 2011. The United States Supreme Court denied the Ute Mountain Ute Tribe's petition for a writ of certiorari on February 21, 2012. *Ute Mountain Ute Tribe v. Padilla*, 132 S.Ct. 1557 (2012).

Aggregate data reporting accessible on the TRD's TAP website based on oil and gas tax return data indicates that natural gas production and crude oil production on Indian land was approximately 0.9 percent and 0.3 percent, respectively, of total statewide production in Fiscal Year 2024. The TRD estimates that oil and natural gas production on Indian land generated \$7.9 million in severance tax revenues to the State in the production months corresponding to Fiscal Year 2024. On December 30, 2014, the Navajo Nation completed the purchase of the Navajo Mine. As a result, there has not been any coal production from the mine reported to the TRD since such purchase. No potash, copper or CO<sub>2</sub> is produced on Indian land.

NMSA 1978, Section 7-29C-1, enacted by the 1995 Legislature, authorized a credit against State production and property taxes for similar taxes imposed by tribal governments. The credit applies to crude oil and natural gas from new wells drilled on or after July 1, 1995, on land within Indian reservation boundaries on March 1, 1995. The amount of the credit is 75 percent of the lesser of State taxes or tribal taxes imposed. If the applicable tribal taxes were raised after March 1, 1995, then the amount of the

State's credit is lowered. The TRD website reports that total credits claimed under this provision were about \$3.0 million in Fiscal Year 2024. About \$1.5 million of these credits were applied against oil and natural gas severance tax liability. The Bonding Fund revenue projection assumes that this amount will grow slowly in the future.

The 2001 Legislature enacted NMSA 1978, Sections 7-29C-2, 7-9-88.2 and 9-11-12.2, which provided a similar 75 percent intergovernmental tax credit against severance tax and severance surtax on coal mined on the Navajo Nation.

### **Severance Tax Permanent Fund ("STPF") and the Land Grant Permanent Fund ("LGPF")**

The Severance Tax Permanent Fund ("STPF") was established in the State Treasury in 1973 to receive the residual revenues from the Bonding Fund and serve as an endowment for the State. In 1976, the electorate approved a constitutional amendment giving the STPF constitutional status. In 1982, the electorate approved a second constitutional amendment that removed the discretionary power of the Legislature to appropriate funds from the corpus of the STPF, thereby creating a permanent endowment fund. Distributions from investments of the STPF, however, may be appropriated by the Legislature in the same manner as other general revenues are appropriated. Severance tax receipts have been the primary source of funding for the STPF. The State Investment Council invests the corpus and non-appropriated income of the STPF. The market value of the STPF as of June 30, 2024, was \$9.75 billion, a market value increase of more than \$1.42 billion or 17.0 percent from the prior Fiscal Year closing value. Investment performance for the one-year period ending June 30, 2024, was 6.87 percent net of fees, and 1.23 percent above the fund's interim policy index. Year over year growth of the STPF was due to historically high inflows, which exceeded Fiscal Year 2024 distributions of \$289.6 million. Funds on deposit in the STPF are not pledged to and may not be used to pay any bonds. As noted above, during the 2016 special legislative session, Senate Bill 8 allowed the one-time transfer of excess severance tax revenue to the General Fund rather than the STPF. This transfer, known as the super sweep, totaled \$28,279,400. As noted above, SB 26 (Chapter 22, Laws 2023) will add additional sources of funding to the STPF by directing new windfall revenue from the Oil and Gas Emergency School Tax and from Federal Mineral Leasing payments to the fund beginning in Fiscal Year 2025. This additional investment in the STPF will yield greater distributions from the permanent fund's earnings back to the general fund in the future.

The Land Grant Permanent Fund (the "LGPF") is designed solely to benefit the public educational system of the State and other specified institutions. The origins of the LGPF are found in the federal Fergusson Act of 1898, which granted two sections of land in every township for the benefit of the public schools in the territories of New Mexico. Also under this Act, specific acreage was granted to individual education, medical and penal institutions in the territory. The initial grant totaled in excess of 5.5 million acres. In 1910, the Enabling Act granted additional lands to various beneficiaries in New Mexico, including the public schools, which received the largest share. This brought the total lands placed in trust for the common school system and other beneficiaries to over 13 million acres. Over the years, some land has been sold (and the proceeds used to increase the corpus of the LGPF), so the current total is 9.0 million surface acres and 13.4 million subsurface acres.

Pursuant to NMSA 1978, Section 19-1-1 (1912), the State Land Office is charged with the custody and disposition of the land granted to the State. The Commissioner of Public Lands sells or leases these properties in accordance with the provisions of the appropriate statutes. The SIC invests the corpus and income of the LGPF. As of June 30, 2024, the market value of the LGPF was \$32.09 billion, an asset increase of approximately \$3.4 billion, or 12.0 percent over the prior Fiscal Year. Investment performance for the year ended June 30, 2024, was 8.47 percent, net of fees, and 0.2 percent above the LGPF's policy index. Growth of the LGPF during Fiscal Year 2024, like STPF, was driven by high

inflows exceeding the Fiscal Year 2024 fund distributions of \$1.34 billion. The corpus of the LGPF is constitutionally protected from appropriation and LGPF assets are not pledged to and may not be used to pay debt. The LGPF is also protected by the Federal Enabling Act of 1910.

In November 1996, the State electorate approved a constitutional amendment regarding distributions from both of the State's permanent funds. Distributions are now calculated on a total return basis rather than an income distribution method. In addition, distributions to beneficiaries are now based on a formula under which a statutorily specified percentage of the previous average five-year market value of the fund is distributed.

In September 2003, the State electorate approved a constitutional amendment increasing the rate of annual distribution from the LGPF from the previous 4.7 percent to a new base distribution of five percent of the LGPF's five-year average market value, beginning in Fiscal Year 2005. Certain additional distributions were made to implement and maintain educational reforms as provided by law. An additional 0.8 percent was distributed in Fiscal Years 2005 through 2012, and an additional 0.5 percent was distributed in Fiscal Years 2013 through 2016. In Fiscal Year 2017 distributions returned to the base rate of 5.0 percent and remained at the constitutionally established rate of 5.0 percent until the passage of the constitutional amendment in 2021, which was approved and enacted for Fiscal Year 2024 and all future years, increasing the distributions for education from the School Permanent Fund. All other LGPF beneficiaries continue to receive 5.0 percent of the LGPF's 5-year average value.

In 2021, the New Mexico Legislature passed House Joint Resolution 1 ("HJR1"), a proposed constitutional amendment to increase distributions from the LGPF to provide additional funding for public education. The increased distributions would specifically go toward funding State early childhood education and care programs, as well as increasing primary K–12 funding annually. Voters approved the measure in the November 2022 election and subsequently the United States Congress ratified the change, resulting in an additional distribution from the LGPF in Fiscal Year 2024 which exceeded \$240.3 million. The additional 1.25 percent distribution, which is split 60 percent for early childhood education and 40 percent for K-12 school funding, draws only from the Permanent School Fund—the largest component of the LGPF.

## **Financial Processes and Procedures**

### *State Auditing and Accounting Systems*

The financial affairs of every agency in the State are examined and audited annually by the State Auditor, personnel of the State Auditor's office designated by the State Auditor, or by the independent auditors approved by the State Auditor, as required by Section 12-6-3 NMSA 1978. The audits are conducted in accordance with generally accepted governmental auditing standards. The audit reports include financial statements that are presented in accordance with generally accepted governmental accounting principles. For Fiscal Year 2023, 98 percent of the reports, covering nearly 100 percent of the transactional value, received an unmodified opinion.

The State's comprehensive cash reconciliation model, which compares aggregated agency claims on the State General Fund Investment Pool to the associated resources held by the State Treasurer's Office, is a well-established process and has been audited multiple times by independent auditors during the audits of the General Fund, the DFA and the comprehensive State Annual Financial Report. The reviews have deemed the process to be sound and the DFA fully compliant with the requirements of the monthly process. As of June 30, 2024, resources held in the pool were equivalent to the corresponding business unit claims on those resources as certified by the State Controller on August 15, 2024.

### *State Budgetary and Appropriation Process*

All State agencies are required by Section 6-3-19 NMSA 1978 to submit completed budget forms to the DFA Budget Division by September 1 of each year. Guidelines and forms are provided to State agencies in advance of the September 1 deadline. Budget hearings to examine the merits of budget requests are scheduled through the fall and are usually completed by mid-December. The DFA Budget Division presents comprehensive budget recommendations to the Governor, as required by NMSA (1978-1999) Section 6-3-15(B).

The Governor is required by Section 6-3-21 NMSA 1978 to submit a budget for the upcoming Fiscal Year to the Legislature in early January. The Governor's budget includes the executive recommendations for public education; higher education; State agencies; and historical information on prior expenditures, revenues and revenue projections, among other information. The State budget is contained in a General Appropriation Act, which also may contain proposals for supplemental and deficiency appropriations for the current Fiscal Year.

Upon passage by the Legislature, the Governor may sign the General Appropriation Act, veto it, veto line items or veto parts of it. After the Governor has signed the General Appropriation Act, the DFA Budget Division approves the agency budgets and monitors the expenditure of the funds beginning on July 1, the first day of the Fiscal Year.

### *State Treasurer's Office Investment Responsibilities*

Pursuant to Sections 6-10-10(I) through 6-10-10(O) NMSA 1978, the State Treasurer, with the advice and consent of the State Board of Finance, may invest money not immediately needed for government operations. These investment responsibilities are conducted in accordance with the State Treasurer's Investment Policy (the "Investment Policy"), which was most recently adopted by the State Treasurer and approved by the State Board of Finance on December 17, 2019. The Investment Policy states that in keeping with the office's fiduciary responsibility, all investment decisions made by the State Treasurer will adhere to the following three fundamental principles: safety, liquidity and return. The Investment Policy applies to all financial assets of the State invested by the Treasurer in the exercise of the Treasurer's statutory authority or invested as directed by other agencies that have specific investment authority and for which the Treasurer acts as the investing authority. The State Treasurer is the investing authority for the State's General Fund Investment Pool, the Local Government Investment Pool, Bond Proceeds Investment Pools, the Severance Tax Bonding Fund and bond debt service funds.

In accordance with the Investment Policy, the State Treasurer's Investment Council (the "Treasurer's Investment Council") is appointed by the State Treasurer and the Board. The Treasurer's Investment Council is an advisory council that reviews investment reporting and any other matters of the State Treasurer's choosing. The Treasurer's Investment Council shall consist of five (5) voting members: the State Treasurer or designee; a member of the Treasurer's staff upon appointment by the Treasurer or designee; the director of the State Board of Finance or designee; and two members who are participants in the private investment community or have expert knowledge or professional experience in the subject of public finance or public money investing, of which one member will be appointed by the State Treasurer and approved by the State Board of Finance and one member will be appointed by the State Board of Finance and approved by the State Treasurer. The member of the Treasurer's staff shall be selected in a manner consistent with maintaining a separation of responsibilities between the State Treasurer's Office investment managers and the members of the Treasurer's Investment Council.



In addition to the Treasurer’s Investment Council oversight and recommendations, the State Treasurer contracts with an independent investment advisor to provide guidance and advice on investments, market conditions and benchmarks. The investment advisor provides quarterly performance reports on all of the State Treasurer’s portfolios and information relating to the economic outlook and market trends.

## **Pension and Other Retirement Funds and Benefits**

***Legislative History.*** The Legislature enacted the Educational Retirement Act, NMSA 1978, Section 22-11-1 et seq., the Public Employees Retirement Act, NMSA 1978, Section 10-11-1 et seq., and the Retiree Health Care Act, NMSA 1978, Sections 10-7C-1 through 10-7C-19, which created the retirement plans that cover most employees of the State and its political subdivisions. These retirement plans are managed by the Educational Retirement Board (“ERB”), the Public Employees Retirement Association (“PERA”) and the New Mexico Retiree Health Care Authority (“NMRHCA”) and are described below. The Legislature establishes all financing provisions of the plans and the provisions are not subject to negotiation. Financing provisions include employee and employer contributions, fund investment provisions and benefit provisions. In 1998, the voters amended the State Constitution, adopting Section 22 of Article XX, which states that upon meeting the minimum service requirements of an applicable retirement plan created by law for employees of the State or any of its political subdivisions or institutions, a member of a plan shall acquire a vested property right with due process protections under the applicable provisions of the New Mexico and United States Constitutions. The amendment also stated that nothing in Section 22 shall be construed to prohibit modifications to retirement plans that enhance or preserve their actuarial soundness.

***Educational Retirement Board—Historic Financial Information.*** The ERB had 172,680 members as of June 30, 2024, including active, retired, inactive vested and inactive non-vested members. The market value of Educational Retirement Fund (the “Fund”) as of June 30, 2024, was \$17.5 billion. The Fund had a performance return for Fiscal Year 2024 of 8.6 percent. Over the past five-years, the Fund had an annualized return of 8.1 percent.

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As of June 30, 2024, the unfunded accrued actuarial liability (“UAAL”) had a 22-year amortization period. The calculation of the funding policy contribution has been updated to reflect an open group projection, recognizing new hire benefits as well as anticipated cost-of-living adjustments more than the assumed 1.8 percent while the plan is less than fully funded.

**TABLE 12**  
**Schedule of Statutorily Mandated ERB Contribution Rates**

| <b>Wage Category</b> | <b>Fiscal Year(s)</b> | <b>Date Range</b>     | <b>Member Rate</b> | <b>Employer Rate</b> | <b>Total</b> |
|----------------------|-----------------------|-----------------------|--------------------|----------------------|--------------|
| \$20k or less        | 2010–2013             | 07/01/2009–06/30/2013 | 7.90%              | 12.40%               | 20.30%       |
|                      | 2014                  | 07/01/2013–06/30/2014 | 7.90               | 13.15                | 21.05        |
|                      | 2015–2019             | 07/01/2014–06/30/2019 | 7.90               | 13.90                | 21.80        |
| \$24k or less        | 2020–2021             | 07/01/2019–06/30/2021 | 7.90               | 14.15                | 22.05        |
|                      | 2022                  | 07/01/2021–06/30/2022 | 7.90               | 15.15                | 23.05        |
|                      | 2023                  | 07/01/2022–06/30/2023 | 7.90               | 17.15                | 25.05        |
|                      | 2024–Future           | 07/01/2023–Future     | 7.90               | 18.15%               | 26.05        |
| Over \$20k           | 2010–2011             | 07/01/2009–06/30/2011 | 9.40               | 10.90                | 20.30        |
|                      | 2012                  | 07/01/2011–06/30/2012 | 11.15              | 9.15                 | 20.30        |
|                      | 2013                  | 07/01/2012–06/30/2013 | 9.40               | 10.90                | 20.30        |
|                      | 2014                  | 07/01/2013–06/30/2014 | 10.10              | 13.15                | 23.25        |
|                      | 2015–2019             | 07/01/2014–06/30/2019 | 10.70              | 13.90                | 24.60        |
| Over \$24k           | 2020–2021             | 07/01/2019–06/30/2021 | 10.70              | 14.15                | 24.85        |
|                      | 2022                  | 07/01/2021–06/30/2022 | 10.70              | 15.15                | 25.85        |
|                      | 2023                  | 07/01/2022–06/30/2023 | 10.70              | 17.15                | 27.85        |
|                      | 2024–Future           | 07/01/2023–Future     | 10.70              | 18.15                | 28.85        |

*Source: New Mexico Statutes Annotated 1978, Section 22-11-21, as amended*

In 2019 legislation amending NMSA 1978, Section 22-11-21 was enacted to increase the employer contribution rate to 14.15 percent and to increase to \$24,000 the threshold for higher employee contributions. These changes became effective July 1, 2019. In 2021 legislation amending NMSA 1978, Section 22-11-21 was enacted to increase the employer contribution rate to 15.15 percent beginning July 1, 2021. In 2022, legislation amending NMSA 1978, Section 22-11-21 was enacted to increase the employer contribution rate to 17.15 percent beginning July 1, 2022, and 18.15 percent beginning July 1, 2023.

Certain employees of New Mexico universities and colleges are eligible to elect to participate in the Alternative Retirement Plan (“ARP”), a defined contribution retirement plan available to certain faculty and professional employees. Employees who do not elect to participate in the ARP remain members of the regular defined benefit retirement plan. Each ARP participant contributes to the ARP the same amount that he or she would be required to contribute to the defined benefit plan if he or she were a member of that plan. Colleges and universities, as the employers of ARP participants, contribute the same amount that the employer would be required to contribute to the defined benefit plan if the participant were a member of that plan. From July 1, 2023, through June 30, 2024, 7.25 percent of the employer statutorily mandated contribution for ARP participants was provided to the defined benefit plan. From July 1, 2023, through June 30, 2024, the employer contribution rate was 18.15 percent, which meant that colleges and universities contributed 18.15 percent of participating employees’ gross salary to the ARP vendor on behalf of the participant and 7.25 percent of the employees’ gross salary to the defined benefit plan to offset the effect of having these employees not participate in the defined benefit plan. The colleges and

universities are responsible for submitting the balance of the employers' contribution and the employees' contribution directly to the ARP vendors on behalf of the participants.

***ERB Funded Ratio; Impact of Actuarial Assumptions and Changes to the Discount Rate.*** The ERB implemented Governmental Accounting Standards Board ("GASB") Statement No. 67 requirements with its June 30, 2013, financial statements. GASB Statement No. 67 ("GASB 67") requires ERB to report net pension liability ("NPL"), which is measured as total pension liability less the amount of the plan's fiduciary net position. GASB 67 replaced GASB 25, which had required ERB to report the annual required contribution of the employer ("ARC") and the percentage of the ARC contributed. The following table lists the NPL and the ERB GASB 67 and actuarial valuation funded ratios, for Fiscal Years 2020 through 2024. The funded condition of the plan is measured by the funded ratio, which is the ratio of the actuarial value of assets to the actuarial accrued liability for the actuarial valuation, or the ratio of the plan fiduciary net position to the total pension liability for the GASB 67 report. The actuarial valuation funded ratio increased from 2023 to 2024. The increase was primarily due to better than assumed asset experience, assumption changes resulting from the 2024 Experience Study, and expected improvements based on the current funding policy. The NPL of \$8,787,995,457, measured as the total pension liability, less the plan's fiduciary net position as of June 30, 2024, was calculated based on an expected rate of return on plan investments of 7.0 percent. The current NPL increased by 1.2 percent compared to the Fiscal Year 2023 NPL of \$8,684,285,003. The change for the Fiscal Year ending June 30, 2024, includes the single discount rate of 7.0 percent as of June 30, 2024.

**TABLE 13**  
**ERB Funded Ratio**

| <b>Fiscal Year</b> | <b>Net Pension Liability<br/>(GASB 67)</b> | <b>Funded Ratio<br/>(GASB 67)</b> | <b>Funded Ratio<br/>(Actuarial Valuation)</b> |
|--------------------|--------------------------------------------|-----------------------------------|-----------------------------------------------|
| 2020               | \$20,265,889,826                           | 39.11%                            | 60.4%                                         |
| 2021               | 7,087,466,701                              | 69.77                             | 62.8                                          |
| 2022               | 8,421,711,477                              | 64.87                             | 63.5                                          |
| 2023               | 8,684,285,003                              | 65.19                             | 62.9                                          |
| 2024               | 8,787,995,457                              | 66.57                             | 64.8                                          |

*Source: Educational Retirement Board*

ERB pensions are adjusted annually by a COLA beginning on the later of either July 1 of the year in which a member reaches age 65 (for members beginning ERB membership before July 1, 2013) or age 67 (for members beginning ERB membership on or after July 1, 2013) or July 1 following the year a member retires. Senate Bill 115 ("SB 115") (Chapter 61, Laws 2013) reduced the amount of the COLA until ERB is 100 percent funded. The amount of the adjustment is determined by the change in the Consumer Price Index ("CPI"), the retiree's pension amount and the retiree's service credit. Pensions cannot be decreased if there is a decrease in the CPI.

In December 2013, the Supreme Court of New Mexico, in *Bartlett v. Cameron*, 2014-NMSC-002, rejected the claims of certain retired teachers, professors and other public education employees challenging the state constitutionality of SB 115 to the extent that it reduces the future amounts that all education retirees might receive as an annual COLA. The court held that Article XX Section 22 of the State Constitution did not grant the retirees a right to an annual COLA based on the formula in effect on the date of their retirement. The court held that any future COLA to a retirement benefit is merely a year-to-year expectation that, until paid, does not create a property right under the State Constitution. Once paid, the COLA by statute becomes part of the retirement benefit and a property right subject to those constitutional protections.

***The Public Employees Retirement Association—Historic Financial Information.*** PERA had 49,816 active members as of June 30, 2024. As of June 30, 2024, the total market value of the PERA Fund was \$17.8 billion. The Fiscal Year 2024 PERA total fund investment return was 8.66 percent. (Information as of June 30, 2024, is the most recent available.)

PERA performs annual actuarial valuations of the retirement funds it administers. In 2024, PERA actuaries, Gabriel, Roeder, Smith & Company conducted an experience study for the period ending June 30, 2023, testing actuarial assumptions currently used in its valuations. The PERA Board accepted the actuary's recommended economic assumptions that the assets, benefit values, reserves, and computed contribution rates reflect utilization of an inflation rate of 2.5 percent per annum and an investment rate of return of 7.25 percent. The Board also adopted a cost-of-living adjustment change of 1.25 percent for the next 15 years and 2.00 percent thereafter. The Board also maintained real wage inflation and payroll growth assumptions of 3.0 percent, each compounded annually, revised retirement assumptions, and adoption of the MP-2020 mortality table.

The assumed investment return is one of the most significant assumptions in the annual actuarial valuation process as it is used to discount the expected benefit payments for all active, inactive and retired members. Minor changes in this assumption can have a major impact on valuation results. The change in the assumed rate of return recommended by the PERA's outside actuaries was made after consultations with the PERA's internal investment staff and its general investment consultant. The decrease in the real return assumption from five percent to 4.75 percent will be used as the discount rate used to measure the total pension liability. 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 67. Maintaining the current assumed rate of return was recommended by the PERA's outside actuaries after consultations with the PERA's internal investment staff and its general investment consultant.

PERA member and employer contribution rates are established by State statute. In 2020, the Legislature amended the PERA Act, NMSA 1978 10-11-1 et seq. to increase the employer contribution rate by two percent beginning July 1, 2020, in 0.5 percent increments over the next four fiscal years, and to increase member contribution rates by two percent beginning July 1, 2020, in 0.5 percent increments over the next four fiscal years. There was a two-year delay before any increased contributions for municipal or county employees and their employers. Gabriel, Roeder, Smith & Company completed an actuarial valuation of the PERA Fund, Judicial Retirement Fund, Magistrate Fund, Legislative Division and Volunteer Firefighter Fund for the Fiscal Year ending June 30, 2024.

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Actuarial information for each fund as of June 30, 2024, is shown in the table below.

**TABLE 14**  
**Summary of State Retirement Funds Managed by PERA as of June 30, 2024**  
**(Dollars in thousands)**

|                                          | <u>PERA<sup>(1)</sup></u> | <u>Judicial</u> | <u>Magistrate</u> | <u>VFF</u> | <u>Legislative</u> |
|------------------------------------------|---------------------------|-----------------|-------------------|------------|--------------------|
| Membership                               | 125,914                   | 381             | 208               | 9,635      | 356                |
| <b>Actuarial Information</b>             |                           |                 |                   |            |                    |
| Accrued Liability <sup>(2)</sup>         | \$26,574,336              | \$214,274       | \$65,388          | \$ 51,084  | \$50,793           |
| Actuarial Value of Assets <sup>(3)</sup> | 17,860,587                | 120,199         | 34,276            | 87,968     | 47,887             |
| Unfunded (Overfunded) Accrued Liability  | 8,713,748                 | 94,075          | 31,113            | (36,884)   | 2,904              |
| Present Value of Statutory Obligations   | 30,406,290                | 253,391         | 71,203            | 62,977     | 63,193             |

<sup>(1)</sup> Includes both the State and municipal divisions.

<sup>(2)</sup> Includes the accrued liability of both the retired and active members.

<sup>(3)</sup> The valuation of assets is based on an actuarial value of assets whereby gains and losses relative to a 7.25 annual rate of return are smoothed over a four-year period.

Source: Public Employees Retirement Association

As of June 30, 2024, PERA has an amortization or funding period of 59/52 years, based on the employer and member contribution rates in effect as of July 1, 2021, and includes scheduled increases to member and employer contributions. Member and employer rates are established pursuant to Section 10-11-1 through 10-11-142 NMSA 1978. The funded ratio (ratio of the actuarial value of assets to accrued actuarial liability) was 67.2 percent as of June 30, 2024, and the UAAL of the PERA Fund increased by \$571 million to approximately \$8.7 billion. The State's portion of the UAAL of the PERA Fund is 55 percent, or \$4.8 billion. On a market value basis, PERA's funded ratio is approximately 65.2 percent as of June 30, 2024. Current 30-year projections as of June 30, 2024, indicate that the PERA Fund will be 100 percent funded in 2071 assuming all economic and demographic assumptions are met.

In 2024, PERA implemented GASB 67 for the 11th year. GASB 68 requires participating local governments to recognize their pro rata share of net pension liability ("NPL") and other pension elements on the face of their financial statements. The total NPL as of June 30, 2024, for the PERA Fund allocated to its nearly 335 cost-sharing employers that participate in the Fund is approximately \$8.95 billion.

In 2024, PERA completed the Schedule of Employer Allocations required by GASB 68 and provided local governments with the allocation percentage necessary to derive an employer's proportionate share of the collective NPL as of June 30, 2023. PERA continues to provide outreach and assistance to local governments to ensure local governments continue to receive pertinent allocation information required by GASB 67 and 68.

The following table lists the funded ratios for each individual PERA fund for Fiscal Years 2020 through 2024.

**TABLE 15**  
**Funded Ratio of State Retirement Funds Managed by PERA**

| <b>Fiscal Year</b> | <b>PERA</b> | <b>Judicial</b> | <b>Magistrate</b> | <b>VFF</b> | <b>Legislative</b> |
|--------------------|-------------|-----------------|-------------------|------------|--------------------|
| 2020               | 70.3%       | 53.5%           | 53.4%             | 146.8%     | 138.3%             |
| 2021               | 71.4        | 53.3            | 54.1              | 156.5      | 140.9              |
| 2022               | 70.0        | 61.2            | 52.9              | 161.5      | 123.5              |
| 2023               | 67.7        | 60.5            | 53.1              | 167.7      | 119.6              |
| 2024               | 67.2        | 56.1            | 52.4              | 172.2      | 94.3               |

*Source: Public Employees Retirement Association*

Legislative changes enacted during the 2009 through 2016 legislative sessions also amended various provisions of the Public Employees Retirement Act to improve the long-term stability of the fund. House Bill 573 (Chapter 288, Laws 2009) included training requirements for members of the PERA Board. House Bill 854 (“HB 854”) (Chapter 125, Laws 2009) modified employer and employee contributions to the State’s retirement funds for Fiscal Years 2010 and 2011, shifting 1.5 percent of the annual contribution rate from employers to employees, for those employees with a full-time equivalent salary greater than \$20,000. House Bill 628 (“HB 628”) (Chapter 178, Laws 2011) extended the existing 1.5 percent shift made in HB 854 through Fiscal Year 2013 and shifted an additional 1.75 percent of the annual contribution rate from employers to employees for Fiscal Year 2012. The additional 1.75 percent of the annual contribution rate shifted back from the employees to the employers for Fiscal Year 2013. The 1.5 percent contribution shift from the employers to the employees remained in place through Fiscal Year 2013. HB 628 also required an actuarial study by PERA prior to September 20, 2013, to analyze whether contribution rate changes have had an adverse actuarial effect on the retirement systems.

Senate Bill 27 (Chapter 225, Laws 2013) significantly amended the Public Employees’ Retirement Act by creating a new tier of reduced benefits for new hires. The law reduced the cost of living adjustments for all current and future retirees; delays the application of cost of living adjustments for certain future retirees; suspends the cost of living adjustments for certain return-to-work retirees; provided for an increase in the statutory employee contribution rate of 1.5 percent (subject to certain requirements) for employees earning \$20,000 or more in annual salary; provided for an increase in the statutory employer contribution of 0.4 percent beginning in Fiscal Year 2015; increased age and service requirements; lengthened the base average salary calculation amount from three to five years for Tier 2 employees; increased the vesting period for employees from five to eight years for most Tier 2 members; and lowered the annual service credit by 0.5 for most members.

Legislative changes enacted during the 2014 legislative session amended sections of the law relating to the judicial and magistrate retirement funds and followed many of the changes implemented in the 2013 legislative session for the public employees’ and educational retirement funds.

House Bill 33 (Chapter 35, Laws 2014) amended the Judicial Retirement Act. Among other things, the law suspended for two years and makes adjustments to cost-of-living increases, adjusted employee and employer contributions, required mandatory participation in the fund and implemented changes to the benefits structure.

House Bill 216 (“HB 216”) (Chapter 39, Laws 2014) amended the Magistrate Retirement Act. Among other things, the law suspended for two years and makes adjustments to cost-of-living increases, adjusted employee and employer contributions, required mandatory participation and implemented changes to the benefit structure. Senate Bill 160 (Chapter 43, Laws 2014) also made changes to the Magistrate Retirement Act. This law duplicated the changes made in HB 216.

During the 2016 Second Special Session, the State’s distribution to the legislative retirement fund decreased from \$200,000 a month to \$75,000 a month, thus reducing the annual contribution from \$2.4 million to \$900,000.

During the 2017 Special Session, HB 2 was passed that suspended the State’s distribution to the legislative retirement fund for two consecutive years (Fiscal Year 2018 and Fiscal Year 2019). Beginning July 1, 2019, the monthly distribution of \$75,000 to fund the legislative retirement coverage plan resumed, for a total annual contribution of \$900,000.

During the 2019 Regular Session, House Bill 501/a was passed that increased employer contribution rates by 0.25 percent for PERA affiliated employers, with the exception of the overfunded state police and adult correctional officer plan. The contribution rate increase was effective July 1, 2019.

During the 2020 Regular Session, Senate Bill 72/a (“SB 72/a”) was passed, increasing employee and employer contributions and adjusting the COLA for retirees. Effective July 1, 2020, employee contributions increased by two percent, and will increase in 0.5 percent increments over four fiscal years. The first 0.5 percent increment will increase employee contributions under State General Plan three to 9.42 percent. The employer contribution rate will increase by 0.5 percent each fiscal year as well. There will be a two-year delay before any increased contributions for municipal or county employees and their employers. Effective July 1, 2022, municipal and county employee and employer contributions will increase by two percent, in 0.5 percent increments, over four Fiscal Years (2023, 2024, 2025 and 2026).

Retirees who were 75 years of age on or before June 30, 2020, received a 2.5 percent COLA, an increase from the former two percent COLA. Disability retirees and retirees with pensions lower than \$25,000 after 25 years of service also will receive a 2.5 percent COLA. All other retirees who are COLA-eligible will receive a two percent, non-compounding, additional payment for three calendar years (2020, 2021 and 2022). This payment will be paid in addition to the regular July pension payment. PERA received a \$55 million General Fund appropriation to cover the cost of the additional payments (two percent non-compounding) to eligible retirees in Fiscal Years 2021, 2022, and 2023.

The changes implemented by SB 72/a will assist PERA in preserving the defined benefit offered to its members and increasing PERA’s actuarial soundness moving forward.

During the 2020 Regular Session, Senate Bill 122 was passed that delayed further distributions to the Legislative Retirement fund until Fiscal Year 2026 and provided a distribution to the magistrate and judicial retirement fund of \$100,000 each month until July 1, 2025.

During the 2021 Regular Session, Senate Bill 90 was passed that allows overtime pay required for a regular schedule tour of duty in the definition of salary for all municipal fire plans and a 1.5 percent employee contribution increase starting July 1, 2021.

During the 2022 Regular Session, Senate Bill 159 was passed that increased the percent rate of the per diem rate to 14 percent for the legislative plan.

During the 2023 Regular Session, House Bill 106 was passed which will allow members of all coverage plans to earn up to 100 percent of their average salary, however it will not allow retroactive calculation prior to June 16, 2023.

In the regular legislative session (59<sup>th</sup> Legislature) in 2024, Senate Bill 165 increased the annual amount of the legislative pension by increasing the pension multiplier from 60 to 90.

***New Mexico Retiree Health Care Authority—Historic Financial Information.*** NMRHCA provides comprehensive group health insurance coverage for persons who have retired from certain public service positions in the State and their eligible dependents. NMRHCA offers both pre-Medicare and Medicare plans, as well as nonsubsidized dental, vision and life insurance plans to eligible participants. As of June 30, 2023, there were 52,978 participants, 12,552 vested terminated members and 93,595 active members contributing to the program from 302 participating public entities.

NMRHCA, the agency that administers the Retiree Health Care Act, has a revenue base composed of active employee payroll deductions, participating employer contributions, monthly premium contributions of enrolled participants, investment income, subsidies associated with administering a Medicare Part D program, prescription drug rebates and amounts distributed annually from the Taxation Administration Suspense Fund (“TAA Fund”). Employer and employee contribution rates are established by statute as is the amount distributed from the TAA Fund. For most participants, employer contribution rates are two percent of the participating employee’s salary and employee contribution rates are one percent of the participating employee’s salary. For individuals participating under an enhanced retirement plan (i.e., police officers, firefighters and correctional officers), employers contribute 2.5 percent of the employee’s salary and employees contribute 1.25 percent of their salary.

As of June 30, 2024, NMRHCA reported a projected solvency period beyond 2055, and the plan’s fiduciary net position is projected to be available to make all projected future benefit payments for current plan members. This calculation compares growth in projected revenues and expenditures from all sources and includes multiple components, including medical and prescription drug costs, administrative fees, employee and employer contributions and retiree premiums. The projected solvency date and continued improvements to its timeframe are largely the result of the prudent fiscal management exercised by NMRHCA’s Board of Directors, including a series of targeted benefit reductions, increased cost-sharing for plan participants, aggressive procurement practices and value-based purchasing strategies.

In 2024, NMRHCA implemented GASB 74 for the seventh year. This valuation is based on the benefits administered by the Board, characteristics of plan participants, assets as of June 30, 2024, economic assumptions and other actuarial assumptions. In a change from the GASB 43 requirements, monies that are not fully funded on an actuarial basis go through a crossover test to determine the applicable discount rate on the plan’s assets. However, the latest results show that there is no projected “crossover date” when projected benefits are not covered by projected assets.

The discount rate used in the valuation for financial disclosure purposes as of June 30, 2024, is based on the assumed investment return on plan assets of 7 percent. Although NMRHCA does not fully prefund benefits, projections indicate that, when plan assets are projected in accordance with the method prescribed by GASB 74, they are expected to be sufficient to cover all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments of 7 percent annually was applied to all periods of projected benefit payments.

The results as of the June 30, 2024, valuation indicate the Total OPEB Liability (“TOL”) of \$3.7 billion, offset by the plan’s fiduciary net position of approximately \$1.58 billion, resulting in a Net OPEB Liability (“NOL”) of \$1.78 billion.



NMRHCA and its Board of Directors are committed to further strengthening the program's financial well-being. The five-year strategic plan for 2023 through 2027 adopted by the Board of Directors in 2022 raises required contributions and makes targeted benefit reductions to increase revenues while decreasing future liabilities. Additionally, the Board of Directors established a minimum age to participate in the program (55 years old) and increased the years-of-service required to receive the maximum subsidy. These changes went into effect for most participants on July 31, 2021, but they do not apply to members who participate in an enhanced retirement plan (i.e., police and corrections officers, firefighters and judges).

Previous reporting requirements associated with GASB 43 mandated NMRHCA to report its Annual Required Contribution ("ARC") and the percentage of the ARC contributed. Beginning June 30, 2017, under GASB 74, the equivalent of the ARC is the Actuarially Determined Contribution ("ADC"). Prior to Fiscal Year 2018, the annual required contribution was calculated by the normal cost combined with the amortization of the unfunded liability, using a five percent discount rate. The reporting requirements under GASB 74 allow for a separately defined method of funding basis (transitioned to the funding policy on a percentage of payroll basis) and a change in the discount rate methodology, resulting in a reduction in discount rate used to amortize the long-term liabilities (7 percent).

The following table lists the Annual Statutory Required Contributions and percentages contributed for Fiscal Years 2020 through 2024.

**TABLE 16**  
**New Mexico Retiree Health Care Authority**  
**Annual Required Contributions**

| <b>Fiscal Year</b> | <b>Annual Required Contributions</b> | <b>Percentage Contributed</b> | <b>Actual Amounts Contributed</b> |
|--------------------|--------------------------------------|-------------------------------|-----------------------------------|
| 2020               | \$161,578,422                        | 107.79%                       | \$174,162,723                     |
| 2021               | 178,635,582                          | 99.50                         | 177,813,458                       |
| 2022               | 187,238,171                          | 101.08                        | 189,266,136                       |
| 2023               | 198,639,257                          | 107.44                        | 213,128,349                       |
| 2024 <sup>1</sup>  | 127,360,721                          | 100.00                        | 127,360,721                       |

<sup>1</sup> The information provided in this table has been updated to better align with the requirements for cost-sharing plans with statutorily required contribution rates.

Source: New Mexico Retiree Health Care Authority Governmental Accounting Standards Board ("GASB") Statement 74 Actuarial Valuation and Review of Other Postemployment Benefits ("OPEB") as of June 30, 2024

## **Economic and Demographic Characteristics**

New Mexico is the 36th largest state by population and the fifth largest in land area. The population of the State as of the time of the 2020 United States Census was 2,106,319. From 2014 to 2020, the State's population grew 0.77 percent, while the national population grew 3.49 percent. The estimated population as of July 1, 2023, was 2,114,371.

There are four Metropolitan Statistical Areas ("MSAs") in the State. The Albuquerque MSA is comprised of Bernalillo, Sandoval, Tarrant and Valencia Counties; the Las Cruces MSA is comprised of Doña Ana County; the Santa Fe MSA is comprised of Santa Fe County; and the Farmington MSA is comprised of San Juan County. The following table sets forth information on population growth in New Mexico and nationally.

**TABLE 17**  
**Population New Mexico and the United States**  
**2015-2024**

| <b>Year<sup>(1)</sup></b> | <b>Population<sup>(2)</sup></b> |                      | <b>Annual Percentage Change</b> |                      |
|---------------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                           | <b>New Mexico</b>               | <b>United States</b> | <b>New Mexico</b>               | <b>United States</b> |
| 2015                      | 2,090,071                       | 320,738,994          | --                              | --                   |
| 2016                      | 2,092,555                       | 323,071,755          | 0.1%                            | 0.7%                 |
| 2017                      | 2,092,844                       | 325,122,128          | 0.0                             | 0.6                  |
| 2018                      | 2,093,754                       | 326,838,199          | 0.0                             | 0.5                  |
| 2019                      | 2,099,634                       | 328,329,953          | 0.3                             | 0.5                  |
| 2020                      | 2,118,606                       | 331,577,720          | 0.9                             | 1.0                  |
| 2021                      | 2,117,333                       | 332,099,760          | (0.1)                           | 0.2                  |
| 2022                      | 2,113,868                       | 334,017,321          | (0.2)                           | 0.6                  |
| 2023                      | 2,121,164                       | 336,806,231          | 0.3                             | 0.8                  |
| 2024                      | 2,130,256                       | 340,110,988          | 0.4                             | 1.0                  |

<sup>(1)</sup> All estimates are subject to change.

<sup>(2)</sup> As of July 1, population figures are stated as intercensal estimates.

*Source: U.S. Census Bureau, Population Division; 2014-2019 released December 2019, 2020-2024 released March 2025 (the most recent information available as of May 14, 2025)*

Major industries in the State include oil and natural gas production, tourism and retail, healthcare, government and mining. Major federally funded scientific research facilities in Los Alamos, Albuquerque and White Sands are a notable part of the State's economy. In 2022 (the most recent information available), the largest employment sector in the State was government (comprising approximately 11.53 percent of the State's non-farm workforce), followed, in order, by health care, retail trade; professional, scientific and technical services; and accommodation and food services. For the twelve-month period ended December 31, 2022, total average employment in the State increased by 4.78 percent as compared to the same twelve-month period ending December 31, 2021. The following table sets forth information on employment by industry over the period of 2013 through 2022, the most recent figures available.

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**TABLE 18**  
**Total New Mexico Full-time and Part-time Employment by North American Industry Classification System 2013-2022 <sup>1</sup>**

|                                                              | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | Growth<br>2021-2022 | Growth<br>2013-2022 |
|--------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|---------------------|
| <b>Total employment</b>                                      | 182,328,100 | 186,229,800 | 190,325,800 | 193,425,900 | 196,394,100 | 200,292,200 | 201,635,200 | 195,286,600 | 202,752,100 | 212,442,000 | 4.78%               | 16.52%              |
| Wage and salary employment                                   | 141,932,000 | 144,722,000 | 147,641,000 | 149,960,000 | 151,949,000 | 154,362,000 | 156,540,000 | 147,227,000 | 151,768,000 | 158,015,000 | 4.12                | 11.33               |
| Proprietors employment                                       | 40,396,100  | 41,517,800  | 42,684,800  | 43,465,900  | 44,445,100  | 45,930,200  | 45,095,200  | 48,059,600  | 50,984,100  | 54,427,000  | 6.75                | 34.73               |
| Farm proprietors employment                                  | 1,859,000   | 1,846,000   | 1,834,000   | 1,824,000   | 1,803,000   | 1,803,000   | 1,772,000   | 1,768,000   | 1,762,000   | 1,754,000   | (0.45)              | (5.65)              |
| Nonfarm proprietors employment                               | 38,537,100  | 39,671,800  | 40,850,800  | 41,641,900  | 42,642,100  | 44,127,200  | 43,323,200  | 46,291,600  | 49,222,100  | 52,673,000  | 7.01                | 36.68               |
| Farm employment                                              | 2,648,000   | 2,649,000   | 2,651,000   | 2,644,000   | 2,622,000   | 2,617,000   | 2,586,000   | 2,577,000   | 2,573,000   | 2,567,000   | (0.23)              | (3.06)              |
| Nonfarm employment                                           | 179,680,100 | 183,590,800 | 187,674,800 | 190,781,900 | 193,772,100 | 197,675,200 | 199,049,200 | 192,709,600 | 200,179,100 | 209,875,000 | 4.84                | 16.80               |
| Private Nonfarm employment                                   | 155,625,100 | 159,535,800 | 163,525,800 | 166,418,900 | 169,279,100 | 173,136,200 | 174,317,200 | 168,578,600 | 176,172,100 | 185,677,000 | 5.40                | 19.31               |
| Forestry, fishing and related activities <sup>(2)</sup>      | 909,100     | 941,000     | 917,900     | 935,200     | 938,300     | 961,100     | 949,700     | 937,100     | 942,200     | 966,800     | 2.61                | 6.35                |
| Mining <sup>(3)</sup>                                        | 1,607,000   | 1,597,500   | 1,553,300   | 1,452,200   | 1,320,900   | 1,179,500   | 1,104,400   | 979,200     | 982,800     | 1,050,200   | 6.86                | (34.65)             |
| Utilities                                                    | 578,300     | 580,600     | 597,400     | 622,000     | 590,800     | 590,700     | 591,300     | 591,400     | 591,400     | 605,600     | 2.40                | 4.72                |
| Construction <sup>(4)</sup>                                  | 9,237,800   | 9,564,300   | 9,844,900   | 10,322,100  | 10,558,000  | 10,987,800  | 11,174,300  | 11,278,000  | 11,395,100  | 11,867,800  | 4.15                | 28.47               |
| Manufacturing                                                | 12,761,200  | 12,907,600  | 13,078,600  | 13,131,900  | 13,233,200  | 13,449,200  | 13,531,000  | 12,863,000  | 13,050,100  | 13,523,700  | 3.63                | 5.98                |
| Durable goods manufacturing <sup>(5)</sup>                   | 7,976,800   | 8,079,500   | 8,210,700   | 8,194,200   | 8,231,700   | 8,395,700   | 8,452,000   | 7,963,300   | 8,062,000   | 8,359,200   | 3.69                | 4.79                |
| Nondurable goods manufacturing <sup>(6)</sup>                | 4,784,400   | 4,828,100   | 4,867,900   | 4,937,700   | 5,001,500   | 5,053,500   | 5,079,000   | 4,899,700   | 4,988,100   | 5,164,500   | 3.54                | 7.94                |
| Wholesale trade                                              | 6,343,100   | 6,719,600   | 6,818,100   | 6,461,400   | 6,491,900   | 6,471,400   | 6,468,500   | 6,234,000   | 6,401,400   | 6,757,300   | 5.56                | 6.53                |
| Retail trade <sup>(7)</sup>                                  | 18,369,100  | 18,713,100  | 19,092,300  | 19,194,500  | 19,344,100  | 19,240,900  | 18,908,000  | 18,407,700  | 19,086,700  | 19,510,300  | 2.22                | 6.21                |
| Transportation and warehousing <sup>(8)</sup>                | 6,012,800   | 6,282,400   | 6,932,700   | 7,414,200   | 7,996,700   | 8,582,900   | 9,221,200   | 9,716,600   | 10,617,500  | 11,473,500  | 8.06                | 90.82               |
| Information <sup>(9)</sup>                                   | 3,264,600   | 3,327,000   | 3,316,400   | 3,384,900   | 3,404,500   | 3,419,700   | 3,399,700   | 3,292,800   | 3,552,900   | 3,861,900   | 8.70                | 18.30               |
| Finance and insurance <sup>(10)</sup>                        | 9,815,300   | 9,621,000   | 9,845,600   | 10,188,400  | 10,250,300  | 10,657,800  | 10,462,600  | 11,347,000  | 12,030,500  | 12,982,300  | 7.91                | 32.27               |
| Real estate and rental and leasing <sup>(11)</sup>           | 8,056,800   | 8,405,800   | 8,667,300   | 8,867,200   | 9,203,700   | 9,487,100   | 9,148,500   | 9,827,300   | 10,731,200  | 11,832,200  | 10.26               | 46.86               |
| Professional, scientific and technical services              | 12,544,300  | 12,864,700  | 13,333,200  | 13,496,900  | 13,849,200  | 14,298,100  | 14,456,700  | 14,389,100  | 15,149,300  | 15,978,400  | 5.47                | 27.38               |
| Management of companies and enterprises                      | 2,265,000   | 2,361,300   | 2,425,500   | 2,603,800   | 2,568,700   | 2,721,900   | 2,751,300   | 2,709,600   | 2,753,000   | 2,953,800   | 7.29                | 30.41               |
| Administrative and waste services <sup>(12)</sup>            | 11,366,900  | 11,719,200  | 11,770,600  | 12,034,600  | 12,213,600  | 12,458,800  | 12,617,600  | 11,863,500  | 12,497,000  | 13,058,300  | 4.49                | 14.88               |
| Educational services                                         | 4,339,100   | 4,498,100   | 4,608,900   | 4,639,800   | 4,727,400   | 4,764,700   | 4,924,000   | 4,531,500   | 4,598,700   | 4,885,700   | 6.24                | 12.60               |
| Health care and social assistance <sup>(13)</sup>            | 20,499,200  | 20,798,400  | 21,351,100  | 21,816,100  | 22,215,300  | 22,643,000  | 23,117,400  | 22,524,100  | 22,990,400  | 23,545,500  | 2.41                | 14.86               |
| Arts, entertainment and recreation <sup>(14)</sup>           | 4,043,800   | 4,223,300   | 4,220,100   | 4,363,100   | 4,518,600   | 4,673,400   | 4,656,900   | 3,853,000   | 4,151,700   | 4,457,300   | 7.36                | 10.23               |
| Accommodation and food services <sup>(15)</sup>              | 13,099,200  | 13,548,900  | 13,977,700  | 14,399,000  | 14,788,400  | 15,021,900  | 15,255,800  | 12,382,900  | 13,459,100  | 14,750,300  | 9.59                | 12.60               |
| Other services, except public administration <sup>(16)</sup> | 10,512,500  | 10,862,000  | 11,174,200  | 11,091,600  | 11,065,500  | 11,526,300  | 11,578,300  | 10,850,800  | 11,191,100  | 11,616,100  | 3.80                | 10.50               |
| Government and government enterprises <sup>(17)</sup>        | 24,055,000  | 24,055,000  | 24,149,000  | 24,363,000  | 24,493,000  | 24,539,000  | 24,732,000  | 24,131,000  | 24,007,000  | 24,198,000  | 0.80                | 0.59                |

- (1) Per the Bureau of Economic Analysis, the information contained in this Table 18 was discontinued on September 27, 2024, and is no longer available. The information provided was the last available update.
- (2) The “Forestry, fishing and related activities” category includes: forestry and logging; fishing, hunting and trapping; and support activities for agriculture and forestry.
- (3) The “Mining” category includes: oil and gas extraction; mining (except oil and gas); and support activities for mining.
- (4) The “Construction” category includes: construction of buildings; heavy and civil engineering construction; and specialty trade contractors.
- (5) The “Durable goods manufacturing” category includes: wood product manufacturing; nonmetallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; machinery manufacturing; computer and electronic product manufacturing; electrical equipment, appliance, and component manufacturing; motor vehicles, bodies and trailers, and parts manufacturing; other transportation equipment manufacturing; furniture and related product manufacturing; and miscellaneous manufacturing.
- (6) The “Nondurable goods manufacturing” category includes: food manufacturing; beverage and tobacco product manufacturing; textile mills; apparel manufacturing; leather and allied product manufacturing; paper manufacturing; printing and related support activities; petroleum and coal products manufacturing; chemical manufacturing; and plastics and rubber products manufacturing.
- (7) The “Retail trade” category includes: motor vehicle and parts dealers; furniture and home furnishings stores; electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, musical instrument, and book stores; general merchandise stores; miscellaneous store retailers; and non-store retailers.
- (8) The “Transportation and warehousing” category includes: air transportation; rail transportation; truck transportation; transit and ground passenger transportation; pipeline transportation; scenic and sightseeing transportation; support activities for transportation; couriers and messengers; and warehousing and storage.
- (9) The “Information” category includes: publishing industries (except Internet); motion picture and sound recording industries; broadcasting (except Internet); Internet publishing and broadcasting; telecommunications; data processing, hosting, and related services; and other information services.
- (10) The “Finance and insurance” category includes: monetary authorities-central bank; credit intermediation and related activities; securities, commodity contracts, and other financial investments and related activities; insurance carriers and related activities; and funds, trusts and other financial vehicles.
- (11) The “Real estate and rental and leasing” category includes: real estate; rental and leasing services; and lessors of nonfinancial intangible assets (except copyrighted works).
- (12) The “Administrative and waste services” category includes: administrative and support services; and waste management and remediation services.
- (13) The “Health care and social assistance” category includes: ambulatory health care services; hospitals; nursing and residential care facilities; and social assistance.
- (14) The “Arts, entertainment and recreation” category includes: performing arts, spectator sports, and related industries; museums, historical sites, and similar institutions; and amusement, gambling and recreation industries.
- (15) The “Accommodation and food services” category includes: accommodation; and food services and drinking places.
- (16) The “Other services, except public administration” category includes: repair and maintenance; personal and laundry services; religious, grantmaking, civic, professional, and similar organizations; and private households.
- (17) The “Government and government enterprises” category includes: federal, civilian; military; and state and local governments.
- Source: Regional Economic Information System, Bureau of Economic Analysis. Last Revised: September 29, 2023–new statistics for 2022, revised statistics for 2013–2021 (the most recent information available as of January 9, 2024. Per the Bureau of Economic Analysis, the information contained in this Table 21 was discontinued on September 27, 2024, and is no longer available. Please see the information contained in Table 22 for Employment and Labor Force information.*

The following tables set forth selected additional economic and demographic data with respect to the State and the United States.

**TABLE 19**  
**Employment and Labor Force**  
**New Mexico and the United States**  
**2015–2025**  
**(numbers in thousands)<sup>(1)</sup>**

| <b>Year</b> | <b>Civilian Labor Force</b> |                        | <b>Number of Employed</b> |                        | <b>Unemployment Rate</b> |                      |                               |
|-------------|-----------------------------|------------------------|---------------------------|------------------------|--------------------------|----------------------|-------------------------------|
|             | <b>New Mexico</b>           | <b>United States</b>   | <b>New Mexico</b>         | <b>United States</b>   | <b>New Mexico</b>        | <b>United States</b> | <b>N.M. as % of U.S. Rate</b> |
| 2015        | 940                         | 158,035                | 879                       | 150,128                | 6.5%                     | 5.0%                 | 130.0%                        |
| 2016        | 946                         | 159,678                | 881                       | 152,157                | 5.4                      | 4.7                  | 114.9                         |
| 2017        | 941                         | 160,535                | 890                       | 153,904                | 5.4                      | 4.1                  | 131.7                         |
| 2018        | 951                         | 163,206                | 902                       | 156,817                | 5.2                      | 3.9                  | 133.3                         |
| 2019        | 961                         | 164,699                | 913                       | 158,845                | 5.0                      | 3.6                  | 138.9                         |
| 2020        | 934                         | 160,745                | 856                       | 149,975                | 8.5                      | 6.7                  | 126.9                         |
| 2021        | 950                         | 162,497                | 896                       | 156,099                | 5.6                      | 3.9                  | 143.6                         |
| 2022        | 954                         | 165,025                | 919                       | 159,259                | 3.6                      | 3.5                  | 102.9                         |
| 2023        | 975                         | 167,439                | 938                       | 161,124                | 4.00                     | 3.8                  | 105.3                         |
| 2024        | 986                         | 168,547                | 943                       | 161,661                | 4.3                      | 4.1                  | 104.9                         |
| 2025        | 989 <sup>(3)</sup>          | 171,109 <sup>(4)</sup> | 946 <sup>(3)</sup>        | 163,944 <sup>(4)</sup> | 4.3 <sup>(3)</sup>       | 4.2 <sup>(4)</sup>   | 102.4                         |

<sup>(1)</sup> Figures rounded to nearest thousand.

<sup>(2)</sup> Figures affected by changes in population controls.

<sup>(3)</sup> Preliminary through March 31, 2025.

<sup>(4)</sup> Preliminary through April 30, 2025.

*Source: U.S. Department of Labor, Bureau of Labor Statistics, Last Revised March 5, 2025: United States as of May 14, 2025; (the most recent information available as of May 14, 2025)*

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**TABLE 20**  
**Personal Income**  
**New Mexico and the United States**  
**2015–2024**

| <b>Year</b> | <b>Personal Income (Dollars in Millions)</b> |                      | <b>Annual Percentage Change</b> |                      |
|-------------|----------------------------------------------|----------------------|---------------------------------|----------------------|
|             | <b>New Mexico</b>                            | <b>United States</b> | <b>New Mexico</b>               | <b>United States</b> |
| 2015        | \$ 79,130                                    | \$15,467,113         | --                              | --                   |
| 2016        | 80,782                                       | 15,884,741           | 2.1%                            | 2.7%                 |
| 2017        | 82,354                                       | 16,658,962           | 1.9                             | 4.9                  |
| 2018        | 86,179                                       | 17,514,402           | 4.6                             | 5.1                  |
| 2019        | 91,208                                       | 18,349,584           | 5.8                             | 4.8                  |
| 2020        | 98,480                                       | 19,600,945           | 8.0                             | 6.8                  |
| 2021        | 107,310                                      | 21,403,979           | 9.0                             | 9.2                  |
| 2022        | 112,180                                      | 22,077,232           | 4.5                             | 3.1                  |
| 2023        | 117,016                                      | 23,380,269           | 4.3                             | 5.9                  |
| 2024        | 122,814                                      | 24,632,679           | 5.0                             | 5.4                  |

*Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Data. Last Revised: March 28, 2025, new statistics for 2024; revised statistics for 2020-2023 (the most recent information available as of May 14, 2025)*

**TABLE 21**  
**Per Capita Personal Income**  
**New Mexico and the United States**  
**2015–2024**

| <b>Year</b> | <b>Per Capita Income (Dollars)</b> |                      | <b>N.M. as a %<br/>of U.S.</b> | <b>Annual Percentage Change</b> |             |
|-------------|------------------------------------|----------------------|--------------------------------|---------------------------------|-------------|
|             | <b>New Mexico</b>                  | <b>United States</b> |                                | <b>N.M.</b>                     | <b>U.S.</b> |
| 2015        | \$37,752                           | \$48,062             | 81.6%                          | --                              | --          |
| 2016        | 38,474                             | 48,974               | 80.1                           | 1.9%                            | 3.8%        |
| 2017        | 39,196                             | 51,006               | 80.0                           | 1.9                             | 1.9         |
| 2018        | 40,976                             | 53,311               | 80.3                           | 4.5                             | 4.1         |
| 2019        | 43,223                             | 55,567               | 81.1                           | 5.5                             | 4.5         |
| 2020        | 46,483                             | 59,114               | 83.7                           | 7.5                             | 4.2         |
| 2021        | 50,682                             | 64,450               | 85.7                           | 9.0                             | 6.4         |
| 2022        | 53,069                             | 66,096               | 82.3                           | 4.7                             | 9.0         |
| 2023        | 55,166                             | 69,418               | 83.3                           | 4.0                             | 2.8         |
| 2024        | 57,652                             | 72,425               | 82.6                           | 4.5                             | 5.4         |

*Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Data. Last Revised: March 28, 2025, new statistics for 2024; revised statistics for 2020-2023 (the most recent information available as of May 14, 2025)*

**TABLE 22**  
**Wages and Salaries by Industry Sector**  
**2014–2024**

| NAICS Earnings by<br>Place of Work <sup>(1)</sup><br>Applicable to 2014–2023 | New Mexico<br>(Dollars in Thousands) <sup>(2)</sup> |                     | United States<br>(Dollars in Millions) <sup>(2)</sup> |                        | Cumulative<br>Annual Percent<br>Change<br>2014 – 2024 |       | Distribution of<br>2024 Wages &<br>Salaries |       |
|------------------------------------------------------------------------------|-----------------------------------------------------|---------------------|-------------------------------------------------------|------------------------|-------------------------------------------------------|-------|---------------------------------------------|-------|
|                                                                              | 2024                                                | 2014                | 2024                                                  | 2014                   | N.M.                                                  | U.S.  | N.M.                                        | U.S.  |
| Farm Wage and Salary                                                         | \$ 252,316                                          | \$ 262,194          | \$ 31,842,750                                         | \$ 24,178,000          | -3.8%                                                 | 31.7% | 0.4%                                        | 0.00% |
| Non-farm Wage and Salary                                                     | 56,883,933                                          | 36,360,885          | 12,349,487,426                                        | 7,443,527,000          | 56.4                                                  | 65.9  | 99.6                                        | 99.7  |
| Private Wage and Salary                                                      | 42,441,679                                          | 26,728,207          | 10,523,078,143                                        | 6,224,688,000          | 58.8                                                  | 69.1  | 74.3                                        | 85.0  |
| Forestry, Fishing, and other related activities                              | 134,448                                             | 79,278              | 25,923,506                                            | 16,826,000             | 69.6                                                  | 54.1  | 0.2                                         | 0.2   |
| Mining                                                                       | 2,492,189                                           | 2,146,595           | 77,220,259                                            | 86,850,000             | 16.1                                                  | -11.1 | 4.4                                         | 0.6   |
| Utilities                                                                    | 455,689                                             | 351,048             | 80,493,508                                            | 55,086,000             | 29.8                                                  | 46.1  | 0.8                                         | 0.7   |
| Construction                                                                 | 3,739,892                                           | 1,903,727           | 673,758,753                                           | 349,130,000            | 96.5                                                  | 93.0  | 6.5                                         | 5.4   |
| Manufacturing                                                                | 2,033,494                                           | 1,647,705           | 1,115,453,512                                         | 780,479,000            | 23.4                                                  | 42.9  | 3.6                                         | 9.0   |
| Wholesale Trade                                                              | 1,639,365                                           | 1,157,672           | 643,869,508                                           | 420,661,000            | 41.6                                                  | 53.1  | 2.9                                         | 5.2   |
| Retail Trade                                                                 | 3,477,512                                           | 2,605,757           | 674,890,258                                           | 456,002,000            | 33.5                                                  | 48.0  | 6.1                                         | 5.5   |
| Transportation and Warehousing                                               | 1,734,350                                           | 1,035,176           | 471,348,516                                           | 242,297,000            | 67.5                                                  | 94.5  | 3.0                                         | 3.8   |
| Information                                                                  | 875,902                                             | 624,710             | 498,552,008                                           | 252,966,000            | 40.2                                                  | 97.1  | 1.5                                         | 4.0   |
| Finance and Insurance                                                        | 2,004,323                                           | 1,364,585           | 963,488,256                                           | 582,075,000            | 46.9                                                  | 65.5  | 3.5                                         | 7.8   |
| Real Estate and Rental and Leasing                                           | 611,967                                             | 384,962             | 195,278,008                                           | 109,197,000            | 59.0                                                  | 78.8  | 1.1                                         | 1.6   |
| Professional, Scientific, and Technical Services                             | 7,629,842                                           | 3,985,952           | 1,409,899,010                                         | 736,695,000            | 91.4                                                  | 91.4  | 13.4                                        | 11.4  |
| Management of Companies and Enterprises                                      | 559,189                                             | 352,931             | 400,410,756                                           | 246,652,000            | 58.4                                                  | 62.3  | 1.0                                         | 3.2   |
| Administrative and Waste Services                                            | 2,704,971                                           | 1,446,532           | 554,216,756                                           | 316,297,000            | 87.0                                                  | 75.2  | 4.7                                         | 4.5   |
| Educational Services                                                         | 444,068                                             | 335,930             | 220,769,007                                           | 139,294,000            | 32.2                                                  | 58.5  | 0.8                                         | 1.8   |
| Health Care and Social Assistance                                            | 7,032,480                                           | 4,458,337           | 1,486,025,505                                         | 844,773,000            | 57.7                                                  | 75.9  | 12.3                                        | 12.0  |
| Arts, Entertainment, and Recreation                                          | 426,367                                             | 220,808             | 150,962,007                                           | 82,488,000             | 93.1                                                  | 83.0  | 0.7                                         | 1.2   |
| Accommodations and Food Services                                             | 2,756,452                                           | 1,563,734           | 497,848,756                                           | 271,784,000            | 76.3                                                  | 83.2  | 4.8                                         | 4.0   |
| Other Services, Except Public Administration                                 | 1,689,179                                           | 1,062,768           | 383,000,254                                           | 235,135,000            | 58.9                                                  | 62.9  | 3.0                                         | 3.1   |
| Government and Government Enterprises                                        | <u>14,442,254</u>                                   | <u>9,632,678</u>    | <u>1,826,409,383</u>                                  | <u>1,218,839,000</u>   | 49.9                                                  | 49.8  | 25.3                                        | 14.8  |
| Total                                                                        | <u>\$57,136,249</u>                                 | <u>\$36,623,079</u> | <u>\$12,381,330,176</u>                               | <u>\$7,467,705,000</u> |                                                       |       |                                             |       |

<sup>(1)</sup> The estimates of wage and salary disbursements for 2014 are based on the 2012 North American Industry Classification System (NAICS), while estimates for 2017 forward are based on the 2017 NAICS.

<sup>(2)</sup> All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Revised: March 28, 2025 (the most recent information available as of May 14, 2025)

## SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following summarizes certain provisions of the Bond Resolution. This summary does not purport to be complete and reference is made to the Bond Resolution for a full and complete statement of its provisions.

### Authorization

The Bond Resolution authorizes the issuance, sale and delivery of the Bonds in the amounts and upon the terms set out therein or determined pursuant thereto. It approves forms of documents, including the forms of the Bonds, as well as the form of Notice of Sale for the Bonds, the form of this Official Statement, the related continuing disclosure undertaking, and also approves other related documents and certificates. It provides for the method of payment of the Bonds, the appointment of the State Treasurer as Paying Agent and Registrar for the Bonds, and terms and provisions relating to the registration, transfer and exchange of the Bonds. The Bond Resolution reflects the ad valorem tax to be imposed on taxable property in the State to provide for the payment of principal of and interest on the Bonds, and establishes certain funds and accounts relating to the Bonds and the projects to be funded with the

proceeds of the Bonds (as well as provisions relating to the administration of such funds and accounts and the investment of funds from time to time on deposit therein). It includes provisions relating to the repayment and defeasance of the Bonds as well as other covenants described below.

## **Covenants**

So long as any Bonds are outstanding, the State and the Board have covenanted and agreed with the owners of Bonds that: (a) the State will levy, assess and collect ad valorem taxes, without limit as to rate or amount, in amounts sufficient to pay the principal of and interest on the Bonds as they become due and the State will cause the proceeds of the ad valorem taxes collected to be set aside and applied promptly to pay the principal of and interest on the Bonds when due; (b) the State will promptly pay the principal of and the interest on the Bonds, at the places, on the dates and in the manner specified in the Bond Resolution and in the Bonds; (c) the State will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to each of the funds and the accounts designated in the Bond Resolution; (d) any owner of any of the Bonds or any duly authorized agent of an owner, will have the right, at all reasonable times, to inspect all records, accounts and data relating to the Bonds, the collection of ad valorem taxes and the accounts designated in the Bond Resolution; provided, however, that pursuant to Section 6-14-10E NMSA 1978, as amended, records with regard to the ownership of or pledges of the Bonds are not subject to inspection or copying under any law of the State relating to the right of the public to inspect or copy public records; (e) the State will prepare annual statements or audits of collections and disbursements of ad valorem taxes in sufficient detail to show compliance with requirements of the Bond Resolution and the State will furnish a copy of such audit to any owner of Bonds upon written request therefor; (f) in order to prevent any accumulation of claims for interest after maturity, the State will not directly or indirectly extend or assent to the extension of time for the payment of interest on any of the Bonds and if the time for the payment of any such claim is extended, such extended payment or payments of interest will not be entitled, in the event of default under the Bond Resolution, to the benefit or security of the Bond Resolution, except upon the prior payment in full of the principal of and interest on the Bonds, on which the payment of interest has not been extended; (g) each official or other person having custody of any funds derived from State ad valorem taxes, or responsible for their handling, will be bonded as provided by law, which bond will be conditioned upon the proper application of those funds; (h) the State will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or which would result in the loss of the exclusion from gross income for federal income tax purposes of the interest on the Bonds, and the Governor and the Secretary of the Department of Finance and Administration of the State, or any other officer of the State having responsibility for the issuance of the Bonds, will give an appropriate certificate of the State, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the State regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds; (i) the State (1) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes and (2) will not take or permit to be taken any actions which would adversely affect that exclusion, and the State or persons acting for it, will, if necessary to maintain such exclusion, among other acts of compliance, (i) apply, or cause to be applied, the proceeds of the Bonds to the purpose of the borrowing, (ii) restrict the yield on investment-type property acquired with those proceeds, (iii) make timely rebate payments to the federal government in accordance with Section 148 of the Code and the Bond Resolution, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code, which the Secretary of the Department of Finance and Administration of the State, State Treasurer and other appropriate officers are authorized and directed to take any and all



actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure; and (j) interest on the Bonds is exempt from taxation by the State.

### **Defeasance**

If the State pays all of the outstanding Bonds, or causes them to be paid and discharged in accordance with the next paragraph of this section, or if all payments of principal of and interest on the Bonds, due or to become due, are otherwise paid to the owners of the outstanding Bonds, then the Bond Resolution will cease and become null and void (except for those provisions surviving in accordance with the last paragraph of this section), and the covenants, agreements and obligations of the Board and the State under the Bond Resolution will be released, discharged and satisfied.

All or any part of the Bonds shall be deemed to have been paid and discharged if: (1) the Registrar/Paying Agent, in advance of any payment to the owners of the outstanding Bonds, has received and set aside sufficient moneys for the payment in full of the principal of and interest on the Bonds, or part thereof, or (2) there has been placed in trust for the payment of the Bonds and irrevocably committed to such payment, noncallable Defeasance Obligations (defined below) which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and scheduled to bear such interest, as will be sufficient, together with any moneys on deposit with the Registrar/Paying Agent available to pay principal of and interest on the Bonds, without further investment or reinvestment of either the principal amount or the interest earnings on such Defeasance Obligations (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment in full of all principal of and interest on the Bonds, or part of the Bonds, deemed to have been paid, at their maturity.

As used in the Bond Resolution, “Defeasance Obligations” means, as permitted by law:

(i) direct obligations of, or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by, or obligations issued by or backed by the full faith and credit of corporations sponsored by, the United States of America;

(ii) obligations issued or guaranteed as to full and timely payment of principal and interest by any agency or person controlled by and acting as an instrumentality of the United States of America, pursuant to authority granted by the Congress of the United States of America; and

(iii) obligations described in Section 103(a) of the Code (a) provisions for the payment of the principal of, premium, if any, and interest on which (1) have been made by the irrevocable deposit, with a bank or trust company acting as a trustee or escrow agent for holders of such obligations, of non-callable securities described in clauses (i) and (ii) above, the maturing principal of and interest on which, when due and payable, without further investment or reinvestment, will provide sufficient moneys to pay when due the principal of and interest on such obligations, and (2) which securities described in clauses (i) and (ii) are not available to satisfy any other claim, including any claim of such trustee or escrow agent or of any person claiming through such trustee or escrow agent or to whom such trustee or escrow agent may be obligated, including claims in the event of the insolvency of such trustee or escrow agent or proceedings arising out of such insolvency or (b) rated by either S&P Global Ratings or Moody’s Investors Service, or similar rating agency in its highest rating category (without regard to any refinement or gradation by numerical modifier or otherwise).

Any moneys held in trust in accordance with the defeasance provisions of the Bond Resolution may be invested only in noncallable Defeasance Obligations having maturity dates, or having redemption dates which, at the option of the holder of such Defeasance Obligations, shall not be later than the date or dates at which moneys will be required for the purposes described above. Within fifteen (15) days after any Bonds are deemed to be paid and discharged pursuant to the Resolution, a written notice of such deemed payment and discharge will be given to each registered owner of Bonds as shown on the registration books kept by the Registrar/Paying Agent on the date on which such Bonds are deemed paid and discharged. Such notice will state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged and set forth a description of the obligations held pursuant to this paragraph.

Notwithstanding that Bonds may be deemed to have been paid and discharged pursuant to the above paragraph, any provisions of the Bond Resolution which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Registrar/Paying Agent in connection with all of the foregoing, will remain in effect and be binding upon the State and the Registrar/Paying Agent until final payment of all Bonds notwithstanding the release and discharge of the Bond Resolution. Notwithstanding any provision of the Bond Resolution to the contrary, any provisions of the Bond Resolution that relate to the exclusion of interest from gross income for federal income tax purposes will remain in effect and be binding upon the State and the Registrar/Paying Agent or the exemption from registration under applicable federal or State securities laws, trust indenture acts or similar laws.

### **Amendment of Resolution**

The Bond Resolution may be amended or supplemented from time to time without the consent of or notice to the holders of the Bonds for any of the following purposes: (a) before or after issuance of the Bonds to add to, subtract from, or amend or clarify the list of projects to be funded by the Bonds; (b) to cure any ambiguity, omission, formal defect or inconsistency, or (c) to make any change that, in the judgment of the Board, in reliance upon an opinion of counsel, does not have a material adverse effect on the rights of the owners of any Bonds, or (d) to achieve compliance with any applicable federal securities or tax laws or to ensure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes.

Except as provided above, the Bond Resolution may only be amended or supplemented by resolution adopted by the Board in accordance with applicable law, with or without receipt by the State of any additional consideration, but with the written consent of the owners of a majority in principal amount of the Bonds then outstanding; provided, however, that no such resolution, without the written consent of the owners of the Bonds then outstanding, shall have the effect of permitting: (i) an extension of the maturity of any Bond; or (ii) a reduction in the principal amount of, or the rate of interest on, any Bond; or (iii) a reduction of the principal amount of Bonds required for consent to such amendatory or supplemental resolution; or (iv) the establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Resolution; or (v) the modification of, or otherwise affecting, the rights of the owners of less than all of the Bonds then outstanding (other than originally permitted by the Bond Resolution).

## **Remedies of Holders of Bonds**

The registered owners, or Beneficial Owners, of not less than 25 percent in aggregate principal amount of the Bonds then outstanding may bring an action to protect the rights of the registered owners and Beneficial Owners of Bonds under the Bond Resolution in any court of competent jurisdiction, for the specific performance of any covenant or agreement contained in the Bond Resolution or to enjoin any act or thing which may be unlawful or in violation of any right of any owner of the Bonds. All such proceedings at law or in equity will be instituted, had and maintained for the equal benefit of all owners of the Bonds then outstanding. The failure of any registered owner or owners or Beneficial Owner or Beneficial Owners of Bonds to so proceed will not relieve the State or the Board of any obligation to perform any duty under the Bond Resolution. Each right or privilege of such owner and Beneficial Owner is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any registered owner or Beneficial Owner shall not be deemed a waiver of any other right or privilege.

## **Payment of Principal and Interest**

Principal and interest accruing on the Bonds will be payable by check or draft, mailed or by automated clearing house, or electronic payment sent to their registered owners, as shown on the registration books for the Bonds maintained by the Registrar/Paying Agent at the address appearing in such books at the close of business on the fifteenth (15th) day of the calendar month next preceding each applicable interest payment date (the "Record Date") or, if such date is not a business day, the first (1st) business day thereafter, or in such other manner as may be agreed upon by the Registrar/Paying Agent and the registered owner of a Bond. Interest which is not timely paid or duly provided for will cease to be payable to the owners of the Bonds (or of one or more predecessor Bonds) as of the Record Date, but will be payable to the registered owners of the Bonds (or of one or more predecessor Bonds) at the close of business on a special record date (the "Special Record Date") for the payment of that overdue interest to be fixed by the Registrar/Paying Agent. The Special Record Date will be fixed by the Registrar/Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the Special Record Date will be given to owners of Bonds not less than ten (10) days prior to such date. The principal of and interest on the Bonds are payable upon presentation and surrender of the Bonds without deduction for exchange or collection charges at the office of the Registrar/Paying Agent. Principal of and interest on the Bonds are payable in lawful money of the United States of America. If any of the Bonds are not presented for payment at maturity, such Bonds shall cease to bear interest from the date of maturity.

While registered in the name of DTC or its nominee, payments of principal of and interest on the Bonds will be made to DTC or its nominee as set forth in the Letter of Representation between DTC and the State.

## BOOK-ENTRY-ONLY SYSTEM

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each Series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may

not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the State or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

**THE STATE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR BENEFICIAL OWNERS.**

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES HEREIN TO THE BONDHOLDERS OF THE BONDS WILL MEAN CEDE & CO., AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act by State statute, regulation or otherwise on behalf of such Beneficial Owners for such purposes. When notices are given, they are to be sent to DTC, and the State does not have responsibility for distributing such notices to the Beneficial Owners.

The State does not have any responsibility or obligation to the DTC Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Bonds; (c) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bond Owner; or (e) the distribution by DTC to DTC Participants or Beneficial Owners of any notices received by DTC as registered owner of the Bonds.

**TRANSCRIPT AND LEGAL OPINIONS**

The Board will prepare an official transcript of proceedings of the authorization and issuance of the Bonds.

Legal matters incident to the issuance of the Bonds and the exclusion from gross income for Federal and State of New Mexico income tax purposes of interest on the Bonds (see “TAX MATTERS” below and the forms of opinions of Bond Counsel and Tax Counsel, attached hereto as Appendix C) are subject to the approving legal opinions of Rodey, Dickason, Sloan, Akin & Robb, P.A., Bond Counsel to the State (“Bond Counsel”) and by Taft Stettinius & Hollister LLP, Tax Counsel to the State (“Tax Counsel”). Certain legal matters will be passed upon for the State of New Mexico by Kutak Rock LLP, Disclosure Counsel. Certain legal matters will be passed upon for the State of New Mexico by the Office of the Attorney General of the State of New Mexico.

**TAX MATTERS**

In the opinion of Tax Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The Issuer covenants and represents in the Bond Resolution that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Issuer or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. Tax Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the Issuer to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Tax Counsel's opinion also is rendered in reliance upon certifications of the Issuer and other certifications furnished to Tax Counsel. Tax Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15 percent alternative minimum tax on the "adjusted financial statement income" of "applicable corporations" (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). "Applicable corporations" are generally corporations with average annual adjusted financial statement income over a three-year period of \$1 billion or more. "Adjusted financial statement income" generally means the net income or loss of a corporation (including interest on the Bonds) as set forth on the corporation's applicable financial statement, adjusted as provided in Section 56A of the Tax Code. Corporations should consult their tax advisors about whether the corporation is an "applicable corporation" and if the corporation is such an applicable corporation, about the calculation of "adjusted financial statement income" and the alternative minimum tax for the corporation.

With respect to any Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs. The original issue discount on any Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount may be included in "adjusted financial statement income" of "applicable corporations" for the purpose of the corporate alternative minimum tax imposed under Section 55(b) of the Tax Code for taxable years beginning after December 31, 2022. For this purpose, accrued original issue discount on the Discount Bonds may be deemed to be received and included in adjusted financial

statement income in the year of accrual even though there will not be a corresponding cash payment. Applicable corporations should consult their tax advisors with respect to the appropriate timing and amount of original issue discount to include in “adjusted financial statement income” in any particular tax year.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds were sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner’s acquisition cost. Tax Counsel’s opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Tax Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can



be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the Issuer as the taxpayer and the Bond owners may have no right to participate in such procedures. The Issuer has covenanted in the Bond Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the Issuer, the Financial Advisors, Bond Counsel or Tax Counsel is responsible for paying or reimbursing any Bondholder with respect to any audit or litigation costs relating to the Bonds.

The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

In the opinion of Tax Counsel, the interest on the Bonds is exempt from income taxation by the State.

A copy of the proposed form of opinion of Tax Counsel is attached hereto in Appendix C.

## **LITIGATION**

At the time of the original delivery of the Bonds, the Board will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending, or, to the knowledge of the appropriate State officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the effectiveness of the legislation authorizing the issuance of the Bonds, the levying or collecting of any taxes for the payment of the debt service on the Bonds (other than those cases described in Appendix B, which proceedings are not, in the opinion of the State Attorney General, reasonably expected to have a material effect on the bondholders), or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

The State is a party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations which proceedings are unrelated to the Bonds, and to the security therefor. The ultimate disposition of such proceedings is not presently determinable. Such proceedings are not, in the opinion of the State Attorney General, reasonably expected to have a material adverse effect on the Bonds or the security for the payment of the Bonds. See Appendix B for a summary of litigation and administrative action or proceedings that impact the Bonds.

## **UNDERWRITING**

The Bonds were purchased at a competitive sale on June 4, 2025 by J.P. Morgan Securities LLC.

## **FINANCIAL STATEMENTS**

Appendix A contains the State of New Mexico State Annual Report for the year ended June 30, 2024, the most recent year for which such financial statements are available.

## **FINANCIAL ADVISORS**

The Board has retained Fiscal Strategies Group, Inc., as Financial Advisor in connection with the preparation of this Official Statement and with respect to the issuance of the Bonds. Fiscal Strategies Group, Inc. has contracted with Public Resources Advisory Group (together with Fiscal Strategies Group, Inc., the “Financial Advisors”) with respect to the issuance of the Bonds. The Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement nor the information, covenants and representations contained in any of the bond documentation with respect to the federal income tax status of the Bonds. The Financial Advisors are independent advisory firms and are not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The financial advisory fee for services performed with respect to the Bonds is contingent upon the issuance and delivery of the Bonds.

## **RATINGS**

The Bonds have received ratings from Moody’s Investors Service, Inc., and S&P Global Ratings, as set forth on the cover of this Official Statement.

Such ratings reflect only the views of the respective organizations. An explanation of the significance of each rating may be obtained from the rating agency furnishing such rating. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any downward revision or withdrawal of either rating can be expected to have an adverse effect on the market price of the Bonds.

## **CONTINUING DISCLOSURE UNDERTAKING**

The Board will agree, by means of a continuing disclosure undertaking (the substantial form of which appears in Appendix D) to be delivered to the purchaser of the Bonds at closing, for the benefit of owners of the Bonds, to provide certain annual financial information relating to the State by no later than 210 days after the end of each fiscal year of the State, commencing with the fiscal year ending June 30, 2025, and to provide notices of occurrence of certain enumerated events. The Board will further agree in the continuing disclosure undertaking that if its audited financial statements are not provided as part of the annual financial information, the Board will provide such audited statements when available. The annual financial information and audited financial statements (when available) and material event notices will be filed by the Board with the Municipal Securities Rulemaking Board (through EMMA) and with any New Mexico State Information Depository. In the event of a failure of the Board to comply with any provision of the continuing disclosure undertaking, any owner of Bonds (including beneficial owners of the Bonds) may seek specific performance by court order from the First Judicial District Court in Santa Fe County, New Mexico.

The continuing disclosure undertaking with respect to the Bonds will be in effect from and after the issuance and delivery of the Bonds and shall extend to the earliest of: (i) the date the principal and interest on the Bonds is paid or deemed paid; (ii) the date the Board is no longer an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 15c2-12) (the “Rule”); and (iii) the date on which those portions of the Rule which require the continuing disclosure undertaking are held invalid or repealed.

## MISCELLANEOUS

The foregoing summaries, descriptions and references do not purport to be comprehensive or definitive, and such summaries, descriptions and references are qualified in their entirety by reference to each statute, document, exhibit or other materials summarized or described. The instruments and other materials referred to in this Official Statement may be examined, or copies thereof will be furnished in reasonable amounts, upon written request to the New Mexico State Board of Finance, 407 Galisteo Street, Bataan Memorial Building, Room 181, Santa Fe, New Mexico 87501, or by telephone at (505) 827-4980.

Statements made in this Official Statement involving matters of opinion, forecasts or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. The Appendices are integral parts of this Official Statement and must be read with all other parts of this Official Statement.

This Official Statement has been authorized and issued by the Board.

STATE BOARD OF FINANCE  
OF THE STATE OF NEW MEXICO

By: /s/ Governor Michelle Lujan Grisham

**APPENDIX A**

**STATE OF NEW MEXICO ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**



# STATE OF NEW MEXICO

## Annual Comprehensive Financial Report



**For the Fiscal Year End 2024**

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Prepared by:

**The Department of Finance and Administration**

Cabinet Secretary Wayne Propst

Acting State Controller Mark Melhoff

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

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

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## INTRODUCTORY SECTION



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

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

**Cabinet Secretary Wayne Propst**

**Deputy Cabinet Secretary Renee Ward**

**Acting State Controller Mark Melhoff**

**Governor Michelle Lujan Grisham**

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

In accordance with Chapter 6-5-4.1 of the New Mexico Statutes Annotated 1978 (NMSA 1978), the Financial Control Division of the Department of Finance and Administration (DFA) respectfully transmits the State of New Mexico's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

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

CliftonLarsonAllen LLP (CLA), an independent accounting firm, has audited the basic financial statements contained within this report. Their audit was conducted in accordance with the generally accepted government auditing standards and the auditor's report precedes the basic financial statements. The goal of an independent audit is to provide reasonable assurance that the State of New Mexico's basic financial statements for the fiscal year ended June 30, 2024, are free of material misstatement. Independent audit procedures include examining, on a test basis, supporting amounts and disclosures, assessing the accounting principles used, reviewing of any significant estimates made by management, and evaluating the overall basic financial statement presentation. An audit also includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate under the circumstances, but not for expressing an opinion on the effectiveness of the state's internal controls over financial reporting. Accordingly, the independent auditor expressed no opinion on internal controls over financial reporting.

Under state statute (12.6.3 NMSA 1978), each state agency that is reported together in this ACFR must be audited separately each year. To avoid duplication of effort, the ACFR utilizes the Group Audit Standards. The standards provide requirements and guidance for audits of group financial statements, particularly those in which part of the work is performed by auditors other than the auditor who expresses the opinion on the financial statements of the group. The group audit process impacts reporting timeliness because the preparation of the ACFR can only begin once the underlying agency audits are completed, typically not available until December following the fiscal year-end. For fiscal year 2024, audit timing faced additional challenges, as a handful of larger agencies/entities submitted their audits late, and the delayed release of certain audits further postponed the ACFR submission.

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

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

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

New Mexico became the forty-seventh state of the United States of America on January 6, 1912. Its borders encompass 121,589 square miles of the Great Plains, Rocky Mountains, and the Rio Grande River with elevations ranging from 2,842 to 13,161 feet above sea level. Nicknamed the Land of Enchantment, the state's landscape ranges from wide, rose-colored deserts to broken mesas and high, snow-capped peaks. The Sangre de Cristo Mountains, the southernmost part of the Rocky Mountains, run north to south along the east side of the Rio Grande. The state is home to the White Sands National Monument, which contains the largest gypsum dune field in the world. The state's major economic sectors include agriculture, mining, energy production, federal technology laboratories, and tourism. The population of the state was 2,139,350 as of July 2024.

New Mexico's Constitution divides the powers of government among three equal and independent branches: Legislative, Executive, and Judicial, shown in the organizational chart on page xiii. The powers and duties of each branch of government are outlined in the Constitution, which can be amended only by a majority vote of the state's citizens. The Consolidated Annual Financial Report includes the primary government (i.e., legislative agencies, departments and agencies, commissions, the Governor and Cabinet, boards of the executive branch, various offices relating to the judicial branch, the education institutions created by the Constitution of the State of New Mexico, Article XII, Section 11, and discrete component units of the State of New Mexico. Internal Controls- In accordance with the provisions of Chapter 6-5-2.C, NMSA 1978, the Financial Control Division of the Department of Finance and Administration is responsible for ensuring government agencies fulfill their responsibility for implementing and sustaining effective internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and reliability of financial records used for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and the evaluation of costs and benefits requires managerial estimates and judgments. All internal control evaluations occur within this framework. Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system, and the effectiveness and adequacy of internal controls are evaluated during internal reviews performed by the Department of Finance and Administration and annual external audits.

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

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

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

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

The CREG bases its state general revenue forecast on forecasts of the U.S. economy from Moody's Analytics and IHS Market in combination with forecasts of New Mexico's economy prepared by the University of New Mexico's Bureau of Business and Economic Research. Economic inputs also include data and information provided by state agencies, and other national data sources such as the Energy Information Administration, Bureau of Labor Statistics, Bureau of Economic Analysis, and the U.S. Census Bureau. Historical information on New Mexico's value and volume of crude oil and natural gas produced in the state is derived from the state's GenTax Database reporting system. Product price forecasts are derived from national economic forecasting services and other sources.

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

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

## **LONG-TERM FINANCING**

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

## **ACKNOWLEDGMENTS**

This report could not have been prepared without the cooperation of state agencies, the Legislature, and the Judiciary. Executive management of the Department of Finance and Administration would also like to express our gratitude to the dedicated professionals in the State Financial Reporting and Accountability Bureau, whose work made possible the preparation of this report. The coordinated and collaborative effort has produced a report



that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the state's financial condition.

Sincerely,

DocuSigned by:  
  
EB4D958A86A432...

3/20/2025

Wayne Propst

Cabinet Secretary

# STATE OF NEW MEXICO

## SELECTED STATE OFFICIALS

June 30, 2024

### Executive

**Michelle Lujan Grisham, Governor**

**Howie Morales, Lieutenant Governor**

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

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

### Judicial

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

- **Jennifer L. Attrep**, Chief Judge of the Court of Appeals • **J. Miles Hanisee**, Judge of the Court of Appeals • **Kristina Bogardus**, Judge of the Court of Appeals • **Jacqueline R. Medina**, Judge of the Court of Appeals • **Megan P. Duffy**, Judge of the Court of Appeals • **Zachary A. Ives**, Judge of the Court of Appeals • **Shammara H. Henderson**, Judge of the Court of Appeals • **Jane B. Yohalem**, Judge of the Court of Appeals • **Gerald E. Baca**, Judge of the Court of Appeals • **Katherine A. Wray**, Judge of the Court of Appeals

### Legislative - Senate

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

### Legislative – House of Representatives

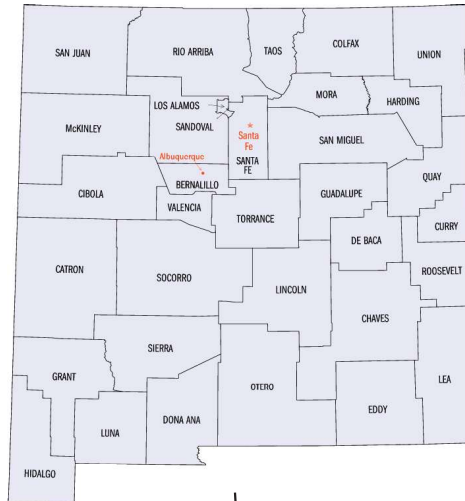
|                                                |                                                   |                                                |                                             |
|------------------------------------------------|---------------------------------------------------|------------------------------------------------|---------------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

# STATE OF NEW MEXICO

## ORGANIZATIONAL CHART

June 30, 2024

### Citizens of New Mexico



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Mexico, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State of New Mexico's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Mexico, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain components, which these percentages of assets and revenues of the various opinion units as of June 30, 2024 audited by other auditors is represented in the following table. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for certain components, is based solely on the reports of the other auditors.

#### **Percentage Audited by Other Auditors**

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

#### **Fund Statements**

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

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
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Mr. Joseph M. Maestas, PE, CFE New Mexico State Auditor  
State of New Mexico

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

### ***Basis for Opinions***

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

### ***Emphasis of Matter***

#### ***Restatement***

As discussed in Note 9 to the financial statements, opening net position to the business-type activities was restated due to corrections made in the prior fiscal year for the Unemployment Insurance Fund. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the State of New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of New Mexico's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State of New Mexico's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Albuquerque, NM  
March 25, 2025



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

**INTRODUCTION**

The following Management's Discussion and Analysis (MD&A) is required supplementary information to the State of New Mexico's financial statements. It describes and analyzes the financial performance and position of the state, and also provides an overview of the State's activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and with the State's financial statements that follow this section. The subsequent information is highly summarized, and in order to gain a comprehensive understanding of the State's financial condition it should be reviewed in its entirety. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

***Government-wide***

***Net Position of the Primary Government***

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

***Long-term Debt***

- The State's long-term bonded debt decreased a net of \$560 million for both governmental and business-type activities, combined, due to principal payments made. Additionally, no new bonds were issued relating to both governmental and business-type activities. See Note 8 for more detailed information on long-term liabilities. More detailed information regarding the government-wide, fund level, and long-term debt activities can be found in the capital asset and debt administration section of this management's discussion and analysis (MD&A).

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

***Fund Level***

***Governmental Funds***

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

***Proprietary Funds***

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

This report also includes statistical data.

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

***Government-wide Statements***

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

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

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

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

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

***Governmental Activities***

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

***Business-type Activities***

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

***Component Units***

Component units are legally separate organizations for which the state is either financially accountable or the nature and significance of their relationship with the state is such that exclusion would cause the state's financial statements to be misleading or incomplete. The state has approximately seventy-three (73) discretely presented component units. Financial information for these entities is presented separately in the supplemental statements and in the notes. The State also has ten blended component units, all of which are component units of higher education institutions. The financial information for "blended" component units is included with the information of the parent unit. Standards for blending component units are issued by the Government Accounting Standards Board.

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

***Fund Financial Statements***

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

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

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

*Governmental Funds*

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

*Proprietary Funds*

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

*Fiduciary Funds*

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

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

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

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

- Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements.
- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.

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

- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements, but are deferred inflow of resources on the governmental fund statements.
- Pension related items including Net Pension Liability, Net Pension Asset, and the Deferred Inflows and Outflows of resources related to pensions are included in the government-wide statements and not in the governmental fund statements.
- OPEB related items including Net OPEB Liability and the Deferred Inflows and Outflows of resources related to OPEB are included in the government-wide statements and not in the governmental fund statements

***Notes to the Financial Statements***

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

***Required Supplementary Information (RSI)***

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

***Other Supplementary Information***

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

**ADJUSTMENTS TO BEGINNING NET POSITION AND FUND BALANCES**

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

**FINANCIAL ANALYSIS OF THE STATE AS A WHOLE**

***Net Position***

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

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

- The State's total net position of \$70.5 billion was \$11.1 billion or 18.7 percent higher in fiscal year 2024 compared to the prior year. Of the State's net position, \$9.9 billion was recorded as net investment in capital assets, while \$65.4 billion was restricted by state statute or other legal requirements and was not available to finance day-to-day operations of the state. Unrestricted net position was a \$4.8 billion deficit. Most of this is attributable to the net pension liability and net OPEB liability. The reporting of these long-term liabilities is mandated by the Governmental Accounting Standards Board.

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

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

**Changes in Net Position**

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

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

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

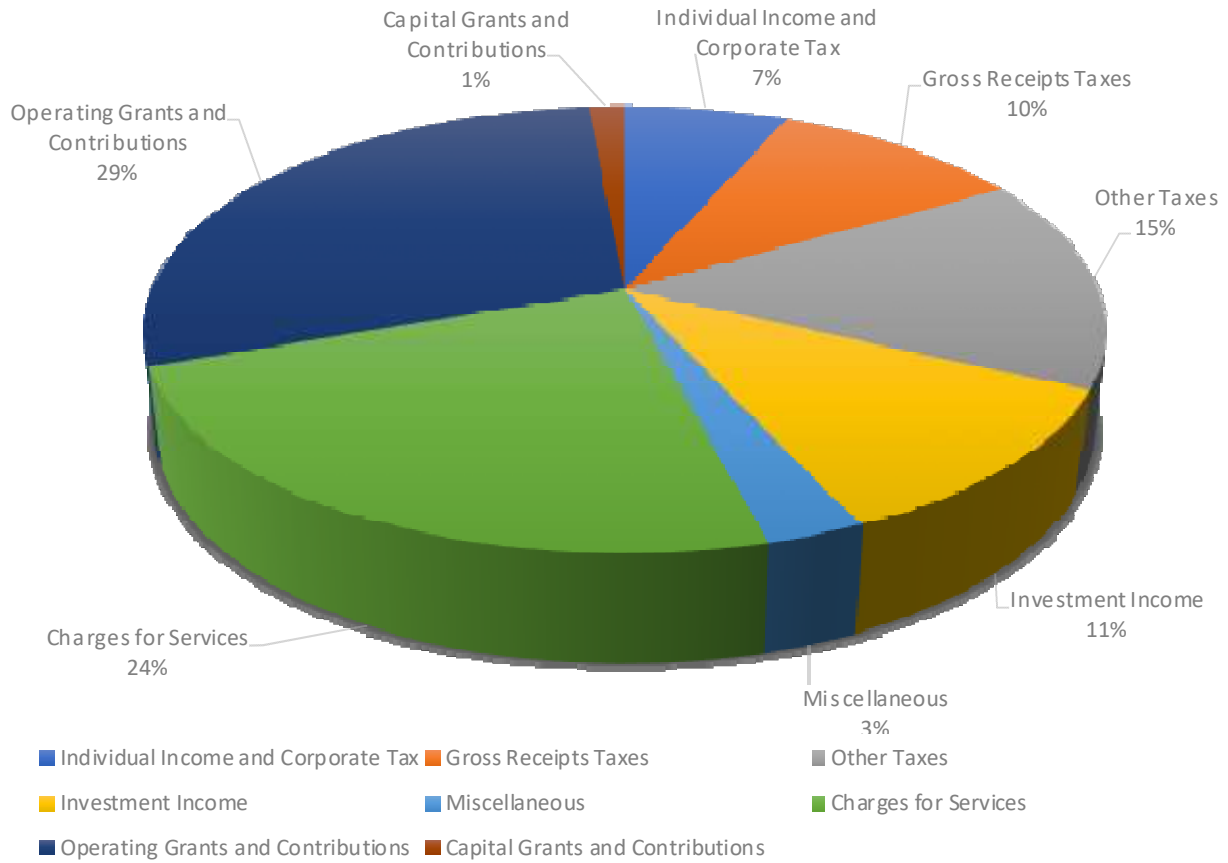
The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2024:

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



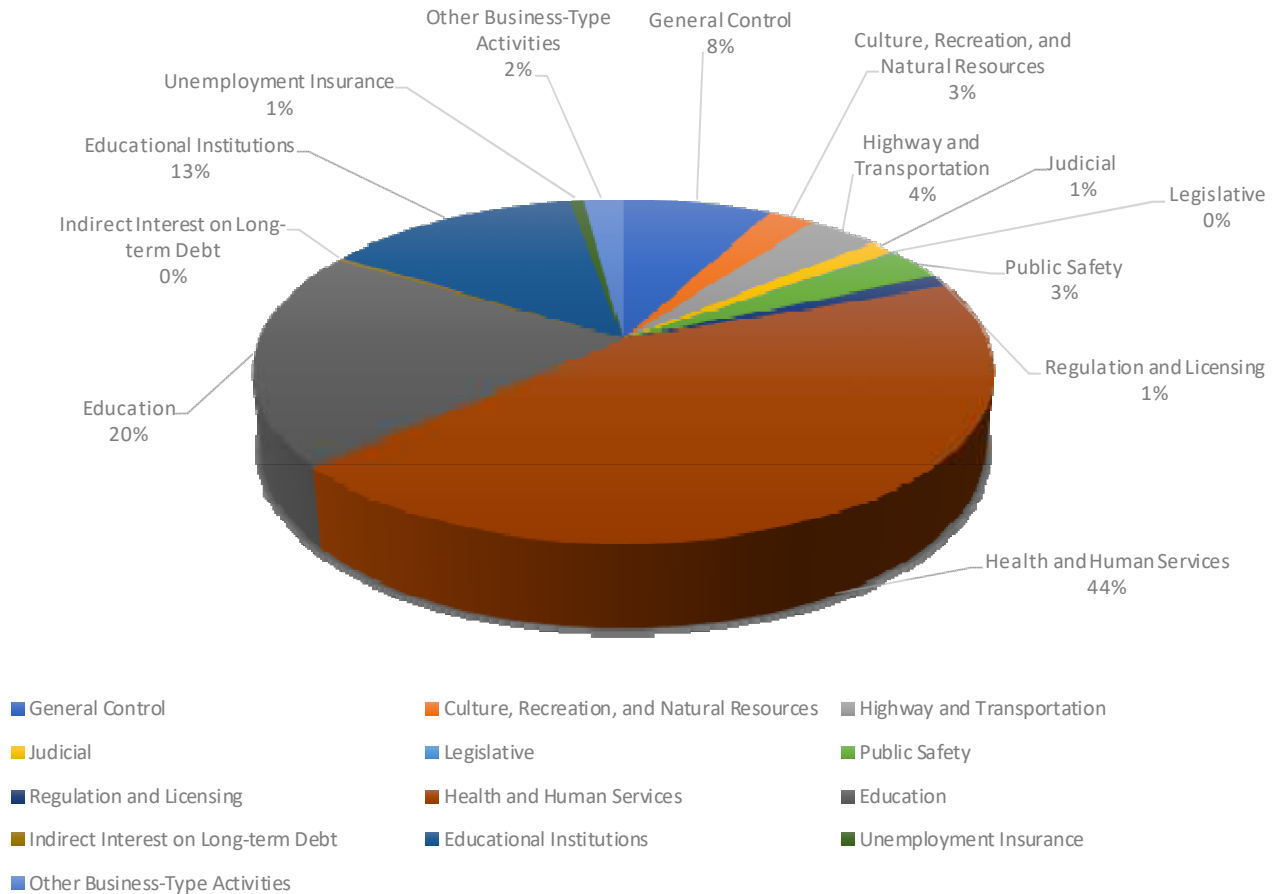
**STATE OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

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



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

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



**Governmental Activities**

Governmental activities program revenue was \$18.2 billion, consisting of operating grants and contributions of \$11.1 billion, capital grants and contributions of \$583 million, and \$6.4 billion in service charges. Program revenues decreased \$1.6 billion from the prior fiscal year, the result of a \$1.3 billion decrease in operating grants and contributions, an \$0.1 billion increase in capital grants and contributions, along with a \$0.5 billion decrease in charges for services. Governmental activities expenses increased by \$2.2 billion year to year bringing the total to \$25.1 billion. All governmental activities except for general control and culture, recreation, and natural resources activities in the government-wide statement of activities had expenses which exceeded program revenues. The health and human services function, and education function account for three quarters of governmental activities expenses and net cost.

The following table shows to what extent the State's governmental activities relied on taxes and other general revenues to cover all of their costs. For fiscal year 2024, state taxes and other general revenues covered 73 percent of expenses. The remaining 27.0 percent of the total expenses was covered by charges for services and grants and contributions.

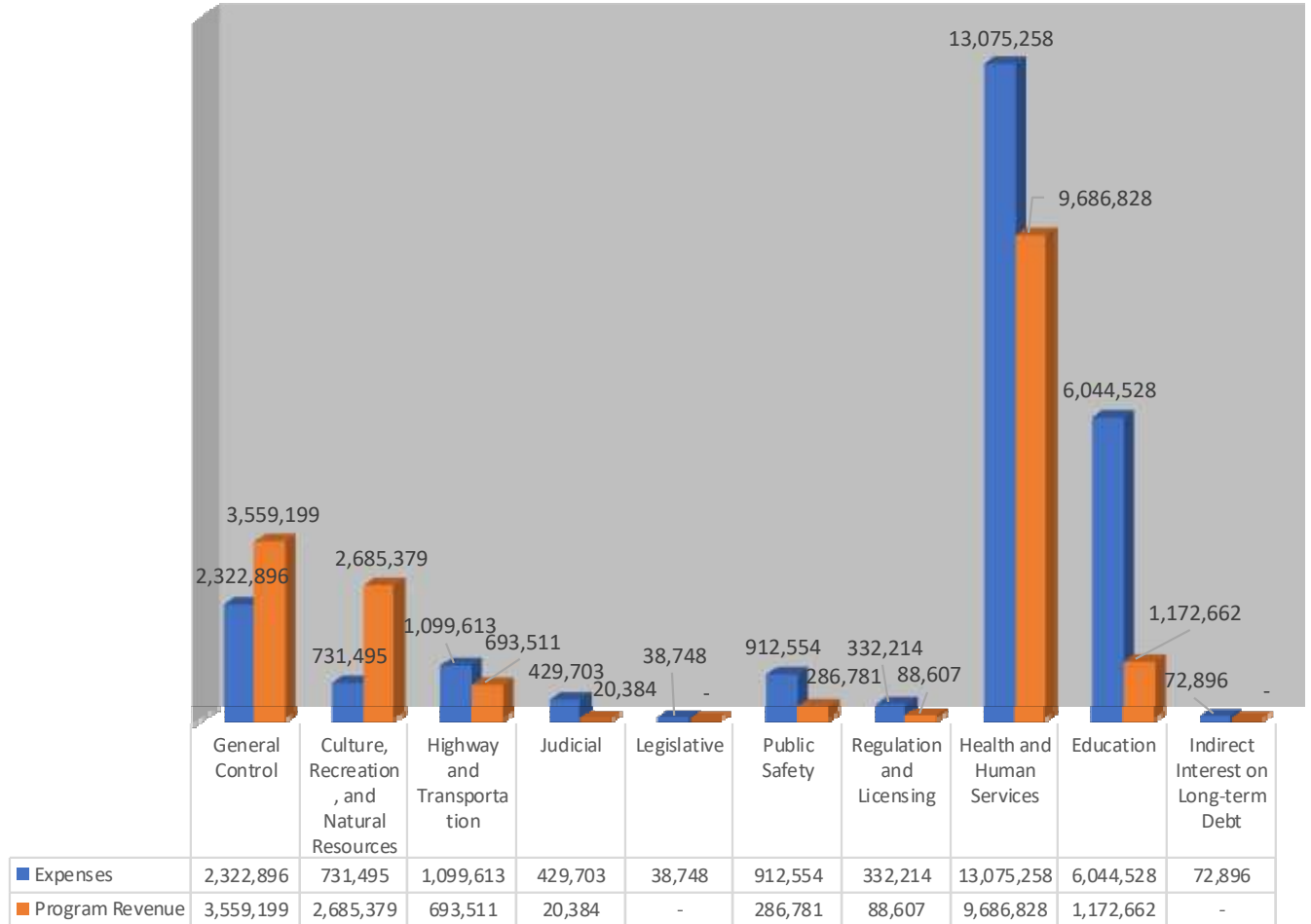
**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

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

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

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

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



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

***Business-type Activities***

Business-type activities generated program revenues of \$3.9 billion, including charges for services of \$3.3 billion, operating grants and contributions of \$620 million, and \$30.4 million in capital grants and contributions. Total program revenues were \$2.6 billion less than the prior year, mostly attributable to a decrease in the unemployment insurance function. The total expenses for business-type activities were \$5 billion, approximately the same as the prior year. The largest changes occurred in the unemployment insurance function, where expenses increased by \$47.1 million versus the prior year, and in the educational institutions function where expenses increased by \$290.4 million. Changes in net position was \$1.8 million versus \$340.2 million in the previous year, an increase of \$738 million.

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

***Fund Balances***

At June 30, 2024, the State's governmental funds reported combined ending fund balances of \$66.1 billion. The State reported \$65.2 billion, or 98.5 percent, as restricted, including \$32.1 billion related to the Land Grant Fund, and \$9.7 billion associated with the Severance Tax Fund, all established by state laws. Note 1.G.14 contains more details about the fund balance classifications at June 30, 2024. The committed, assigned, nonspendable, and unassigned classifications of fund balance totaled \$896 million or 1.5 percent.

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

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

***Governmental Funds***

***General Fund***

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

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

***Budgetary Highlights – General Fund***

The initial fiscal year 2024 budget was adopted by the Legislature during the 2023 Regular Session. The General Fund original budgeted revenues for fiscal year 2024 were slightly less than the fiscal year 2023 final budget basis revenues. After budget amendments, the actual expenditures in the General Fund were \$3 million below the final budgeted amounts. Refer to the budgetary comparison schedule for the General Fund in the Other Required Supplementary Information section of the Annual Comprehensive Financial Report.

***Severance Tax Fund***

Fund balance at June 30, 2024, totaled \$9.7 billion, an increase of \$1.4 billion, or 16.9 percent, related to an increase in transfers in from other funds.

***Land Grant Fund***

Fund balance at June 30, 2024 is totaled \$32.1 billion, there's an increase of \$3.4 billion, or 12 percent, related to an increase in interfund transfers.

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

Exclusive of Internal Service Funds, the State's proprietary funds reported Net Position of \$3.1 billion, an increase of \$1.2 billion from the prior year net position.

***Educational Institutions***

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

**DISCRETE COMPONENT UNITS**

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

The State's discretely presented major component units are:

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

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

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

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

***Capital Asset Activity***

As of June 30, 2024, the State's net investment in capital assets, for governmental activities totaled \$7.6 billion and \$2.4 billion for its business-type activities. The state's capital assets include land, buildings, improvements, machinery and equipment, mineral rights, roads, highways and bridges, right to use assets (leased assets), and subscription-based information technology arrangements. The change in the State's investment in capital assets for the current fiscal year was a modest increase of 8.13 percent in total, including a 8.47 percent increase for governmental activities, and an increase of 7.06 percent for business-type activities.

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

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

***Long-term Debt Activity***

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

The State had the following bond ratings at June 30, 2024:

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

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

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

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

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

***ECONOMIC CONDITIONS AND OUTLOOK***

*Economic Factors Affecting New Mexico's Fiscal Year 2024 Budget*

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

*Trends in the U.S. Economy*

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

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

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

*New Mexico Economy*

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



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

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

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

*General Fund Revenue and Reserve Outlook*

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

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

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

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

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

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

**CONTACT THE STATE'S FINANCIAL MANAGEMENT**

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

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

## **BASIC FINANCIAL STATEMENTS**

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

**General Fund**

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

**Severance Tax Fund**

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

**Land Grant Fund**

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

**Nonmajor Governmental Funds**

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

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

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

See accompanying Notes to Financial Statements.



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

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

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024  
(IN THOUSANDS)**

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

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:

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

|                                                                                                                                                                                                                                                           |  |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|
| In the fund statements, assets (receivables) not available to provide current resources are offset with deferred inflows of resources. The reduction of the liability and recognition of revenue increases net position in the statement of net position. |  | 502,017 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|

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

|                                                                                                                                                             |  |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------|
| The net pension asset for the pension fund which has a positive net position is reported in the statement of net position, but not in the funds statements. |  | 28,176 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------|

|                                                                                                                                                                                                             |                             |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------|
| The pension and OPEB-related deferred outflows of resources are not recognized in the government-wide statements, and neither are the deferred inflows of resources.<br>(Less \$11,154 and \$8,132 for ISF) | 783,371<br><u>(558,604)</u> | 224,767 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------|

|                                                                                                                                                                                                                                                                                                                         |  |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Internal service funds (ISF) are used by management to charge for certain activities, such as insurance, information technology, fleet operations, printing, and telecommunications. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. |  | (263,389) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

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

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the fund financial statements:

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

The change in Net Position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

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

|                                                                                                                                                                                                                        |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Net change in deferred inflows of resources, adjustments from prior year (reported as deferred inflows of resources in the balance sheet - governmental funds and reported as revenue in the statement of activities.) | (16,391) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|

Capital gain (loss) is not recognized in the fund financial statements, but is in the government-wide.

|                                                 |         |
|-------------------------------------------------|---------|
| Net Value of Assets Disposed of During the Year | (4,364) |
|-------------------------------------------------|---------|

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

|                                                                                                                                                                                                                                                                                                         |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Internal service funds are used by management to charge for certain activities, such as fleet operations, risk management, printing and records, communications services, and information processing. The net revenue (expense) of the internal service funds is reported with governmental activities. | (156,865) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

Bond proceeds, notes, and leases provide current financial resources to governmental activities by issuing debt, which increases long-term liabilities in the statement of net position. Repayments of the bond, notes, and lease principal are expenditures in the governmental funds, but reduce liabilities in the statement of net position:

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

|                                                                                                                                                                                                                                         |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Governmental funds report the effect of bond premium and discount items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences. | 65,663 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

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

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

|                                                                                                                                                                                                               |                |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|
| The deferred loss (less deferred gain) on refunding bond issues is capitalized and the amortization is reported in the statement of activities.                                                               | \$ (5,594)     |                      |
|                                                                                                                                                                                                               | <u>180</u>     | \$ (5,414)           |
| Pension expense and OPEB expense of governmental funds is recognized in the statement of activities but not in the fund statements.                                                                           | (224,889)      |                      |
|                                                                                                                                                                                                               | <u>138,288</u> | (86,601)             |
| Debt Service payments for lease and SBITA assets                                                                                                                                                              |                | 69,246               |
| Lease and SBITA proceeds - issuance of long-term debt (e.g., lease liabilities) provides current financial resources to governmental funds, but has no effect on net position.                                |                | (89,438)             |
| The statement of activities is presented on the accrual basis, while the fund statements are presented on the "available resources" basis. This adjustment combines the net change of the following balances: |                |                      |
| Accrued Interest on Bonds Payable                                                                                                                                                                             | 4,526          |                      |
| Compensated Absences Expense (Less ISF (\$28))                                                                                                                                                                | (9,068)        |                      |
| Pollution Remediation Obligation                                                                                                                                                                              | (4,603)        |                      |
| Change in Indian Water Rights Liability                                                                                                                                                                       | 23,004         |                      |
| Change in other liabilities                                                                                                                                                                                   | (29,792)       |                      |
| Other                                                                                                                                                                                                         | <u>26,173</u>  | <u>10,240</u>        |
| Change in Net Position of Governmental Activities                                                                                                                                                             |                | <u>\$ 10,037,328</u> |

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO  
PROPRIETARY FUND FINANCIAL STATEMENTS**

**Educational Institutions Fund**

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

**Nonmajor Enterprise Funds**

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

**Internal Service Fund**

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

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

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

See accompanying Notes to Financial Statements.



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

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

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**FIDUCIARY FUNDS FINANCIAL STATEMENTS**

**Pension and Other Employee Benefits Trust Funds**

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

**External Investment Trust Funds**

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

**Private Purpose Trust Funds**

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

**Custodial Funds**

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

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

**New Mexico Finance Authority**

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

**New Mexico Mortgage Finance Authority**

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

**New Mexico Lottery Authority**

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

**University of New Mexico Foundation**

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

**New Mexico State University Foundation**

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

**Nonmajor Component Units**

There were sixteen nonmajor component units at June 30, 2024. Their financial information is presented in total. They are as follows: UNM Alumni Association; UNM Lobo Club; New Mexico Tech Foundation; New Mexico Highlands University (NMHU) Foundation; Western New Mexico University Foundation; Eastern New Mexico University (ENMU) Foundation; ENMU Roswell Foundation; ENMU Ruidoso Foundation; Northern New Mexico College Foundation; New Mexico Military Institute Foundation; New Mexico School for the Visually Impaired Foundation; Cumbres & Toltec Scenic Railroad Commission; New Mexico Renewable Transmission Authority; the New Mexico Small Business Investment Corporation, New Mexico State-chartered Charter Schools, and New Mexico Hospital Equipment Loan Council.



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

|                                       | New Mexico                         |                                  | New Mexico                         |                                           | New Mexico                        |    | New Mexico |  | New Mexico |            | Nonmajor<br>Component<br>Units | Total     |
|---------------------------------------|------------------------------------|----------------------------------|------------------------------------|-------------------------------------------|-----------------------------------|----|------------|--|------------|------------|--------------------------------|-----------|
|                                       | New Mexico<br>Finance<br>Authority | Mortgage<br>Finance<br>Authority | New Mexico<br>Lottery<br>Authority | University of<br>New Mexico<br>Foundation | State<br>University<br>Foundation |    |            |  |            |            |                                |           |
| <b>ASSETS</b>                         |                                    |                                  |                                    |                                           |                                   |    |            |  |            |            |                                |           |
| Current Assets:                       |                                    |                                  |                                    |                                           |                                   |    |            |  |            |            |                                |           |
| Cash and Cash Equivalents             | \$ 13,565                          | \$ 102,976                       | \$ 14,484                          | \$ 15,342                                 | \$ 5,190                          | \$ |            |  |            | \$ 142,074 | \$                             | 293,631   |
| Investment in Local Government        |                                    |                                  |                                    |                                           |                                   |    |            |  |            |            |                                |           |
| Investment Pool                       | -                                  | -                                | -                                  | -                                         | -                                 |    |            |  |            | 31,156     |                                | 31,156    |
| Restricted Cash and Cash Equivalents  | 444,959                            | 52,607                           | -                                  | -                                         | 2,072                             |    |            |  |            | 17,641     |                                | 517,279   |
| Investments                           | -                                  | -                                | -                                  | -                                         | 34,538                            |    |            |  |            | 66,207     |                                | 100,745   |
| Due from Primary Government           | 23,149                             | 4,981                            | -                                  | -                                         | -                                 |    |            |  |            | 15,297     |                                | 43,427    |
| Receivables, Net                      | 17,154                             | 8,008                            | 1,229                              | 1,766                                     | 18,424                            |    |            |  |            | 9,884      |                                | 56,465    |
| Loans Receivable, Current             | 184,385                            | -                                | -                                  | -                                         | -                                 |    |            |  |            | -          |                                | 184,385   |
| Prepaid Expenses                      | -                                  | -                                | 388                                | -                                         | 479                               |    |            |  |            | 887        |                                | 1,754     |
| Other Assets                          | -                                  | 3,727                            | 3,214                              | 1,538                                     | -                                 |    |            |  |            | 28         |                                | 8,507     |
| Inventory                             | -                                  | -                                | 16                                 | -                                         | -                                 |    |            |  |            | 427        |                                | 443       |
| Total Current Assets                  | 683,212                            | 172,299                          | 19,331                             | 18,646                                    | 60,703                            |    |            |  |            | 283,601    |                                | 1,237,792 |
| Noncurrent Assets:                    |                                    |                                  |                                    |                                           |                                   |    |            |  |            |            |                                |           |
| Restricted Cash and Cash Equivalents  | -                                  | 143,061                          | -                                  | -                                         | 4,591                             |    |            |  |            | 15,865     |                                | 163,517   |
| Restricted Investments                | 753,973                            | 29,619                           | -                                  | -                                         | 88,674                            |    |            |  |            | 9,762      |                                | 882,028   |
| Loans Receivable, Net                 | 1,805,792                          | 204,780                          | -                                  | -                                         | -                                 |    |            |  |            | 97,194     |                                | 2,107,666 |
| Investments                           | 12,902                             | 1,782,188                        | -                                  | 476,620                                   | -                                 |    |            |  |            | 174,108    |                                | 2,445,818 |
| Other Noncurrent Assets               | -                                  | 5,754                            | -                                  | 24,958                                    | 268,883                           |    |            |  |            | 21,716     |                                | 321,311   |
| Nondepreciable Capital Assets         | 428                                | 23,239                           | 744                                | -                                         | -                                 |    |            |  |            | 63,815     |                                | 88,226    |
| Other Capital Assets, Net             | 7,915                              | 16,041                           | 2,657                              | 132                                       | 218                               |    |            |  |            | 269,323    |                                | 296,286   |
| Total Noncurrent Assets               | 2,581,010                          | 2,204,682                        | 3,401                              | 501,710                                   | 362,366                           |    |            |  |            | 651,783    |                                | 6,304,952 |
| Total Assets                          | 3,264,222                          | 2,376,981                        | 22,732                             | 520,356                                   | 423,069                           |    |            |  |            | 935,384    |                                | 7,542,744 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                                    |                                  |                                    |                                           |                                   |    |            |  |            |            |                                |           |
| Deferred Charge on Refunding          | 494                                | 124                              | -                                  | -                                         | -                                 |    |            |  |            | 406        |                                | 1,024     |
| Deferred Outflows - OPEB              | -                                  | -                                | -                                  | -                                         | -                                 |    |            |  |            | 42,903     |                                | 42,903    |
| Deferred Outflows - Pension           | -                                  | -                                | -                                  | -                                         | -                                 |    |            |  |            | 99,839     |                                | 99,839    |
| Total Deferred Outflows of Resources  | 494                                | 124                              | -                                  | -                                         | -                                 |    |            |  |            | 143,148    |                                | 143,766   |

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Primary government activities are distinguished between *governmental* and *business-type activities*. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. The governmental activities column incorporates data from the internal service funds as well as the governmental funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**B. Reporting Entity**

For financial reporting purposes, the State's financial reporting entity includes the primary government (i.e., legislative agencies, departments and agencies, commissions, the Governor and Cabinet, boards of the Executive Branch, various offices relating to the Judicial Branch, and the 10 educational institutions created by the Constitution of the *State of New Mexico*, Article XII, Section 11). The annual financial report does not include the financial statements of the community colleges or public schools.

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

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

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

**B. Reporting Entity (Continued)**

Blended Component Units

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

UNM Rainforest Innovations

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

Lobo Development Corporation

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

Lobo Energy, Inc.

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

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

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

**B. Reporting Entity (Continued)**

Blended Component Units (Continued)

University of New Mexico Medical Group (UNMMG)

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

UNM - Sandoval Regional Medical Center (SRMC)

In 2009, the UNM Regents approved formation of the Medical Center. The Laws of 1989, Chapter 264, as amended created University Research Park and Economic Development Act (the Act). SRMC is a nonprofit corporation that was organized under the Act. The creation of SRMC resulted from collaborations between the University of New Mexico Medical Group and University of New Mexico Hospital and hold representation on the SRMC board of directors. SRMC's purpose is to serve as a community based academic healthcare facility. The administrative offices are located at 3001 Broadmoor Blvd. NE, Rio Rancho, NM 87144.

Arrowhead Center, Inc.

Arrowhead Center, Inc. was organized pursuant to the provisions of the State of New Mexico University Research Park Act of 1989. It provides a financial benefit to New Mexico State University (NMSU) and was established to foster economic development within the State through the development of research parks and University real property as well as to protect, license, and market intellectual property developed by faculty, staff, and students of NMSU, as well as members of the community. Arrowhead Center, Inc., MSC 700, P.O. Box 30001, Las Cruces, NM 88003.

New Mexico Institute of Mining & Technology Employee Benefit Trust

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

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

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

**B. Reporting Entity (Continued)**

Blended Component Units (Continued)

New Mexico Institute of Mining & Technology Research Park Corporation

This is a New Mexico nonprofit corporation organized to assist the Institute by making available funds to pursue technology research and other programs carried out by the Institute. The Institute is the sole member of the Corporation and appoints the Board of the Corporation.

New Mexico Highlands University Highlands Stable Isotopes Corporation

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

Discretely Presented Component Units

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

New Mexico Finance Authority (NMFA)

The Laws of 1992, Chapter 61, as amended, created the NMFA. The purpose of the New Mexico Authority Act is to create a governmental instrumentality to coordinate the planning and financing of state and local public projects, to provide for long-term planning and assessment of state and local capital needs, and to improve cooperation among the executive and legislative branches of state government and local governments in financing public projects. The NMFA is considered a component unit of the State as the Governor appoints a majority of its Board. The NMFA is composed of 11 members, at which a majority of those members serve at the pleasure of the Governor. New Mexico Finance Authority, 207 Shelby Street, Santa Fe, NM 87501.

New Mexico Mortgage Finance Authority (NMMFA)

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

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

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

**B. Reporting Entity (Continued)**

Discretely Presented Component Units (Continued)

New Mexico Lottery Authority (Lottery Authority)

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

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

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

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

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

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

Nonmajor Component Units

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



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

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

**C. Basis of Presentation - Government-Wide Financial Statements**

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

As discussed earlier, the State has five major discretely presented component units and 16 nonmajor component units. Component units are shown in total in the government-wide financial statements with a combining statement to show the details. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Fund Financial Statements

The fund financial statements provide information about the State's funds, including its fiduciary funds. Separate statements are presented for each fund category – governmental, proprietary, and fiduciary. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining enterprise funds are aggregated and reported as nonmajor funds. The internal service fund is reported in a separate column on the proprietary funds financial statements. The accounts of the State are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenditures.

The State reports the following governmental funds:

Major Funds

**General Fund**

This fund accounts for the financial resources of the State, except those required to be accounted for in another fund. This is the State's primary operating fund.

**Severance Tax Fund**

The Severance Tax Fund accounts for the proceeds of severance taxes, which are levied by the State on certain natural resources extracted from State lands. Severance tax revenues are first applied to pay the required debt service on Severance Tax Bonds issued by the State. Remaining severance tax revenues are then transferred to the Severance Tax Fund, administered by the State Investment Council. Distributions from this fund are stipulated by the State Constitution. This is a special revenue fund that includes the excess of amounts not applied to severance tax bond debt service in the debt service fund.

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

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

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

Fund Financial Statements (Continued)

Major Funds (Continued):

**Land Grant Fund**

The Land Grant Fund receives royalties and income from trust lands distributed to various entities assigned by the Ferguson Act of 1898. This is a special revenue fund.

Nonmajor Funds

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

The State reports the following enterprise funds:

Major Fund

**Educational Institutions Fund**

The Educational Institutions Fund accounts for the activities of the State's 10 educational institutions created by the Constitution of the State of New Mexico in Article XII, Section 11: University of New Mexico, New Mexico State University, Eastern New Mexico University, New Mexico Institute of Mining and Technology, Western New Mexico University, New Mexico Highlands University, Northern New Mexico College, New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, and New Mexico School for the Deaf.

Nonmajor Funds

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

The State reports the following internal service fund:

**Internal Service Fund**

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

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

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

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

Fund Financial Statements (Continued)

Additionally, the State reports the following fiduciary fund types:

**Pension and Other Employee Benefits Trust Funds**

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

**External Investment Funds**

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

**Private-Purpose Trust Funds**

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

**Custodial Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

**F. Budgetary Information**

**1. Budgetary Basis of Accounting**

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

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

**2. Budget to GAAP Reconciliation**

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

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

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

**F. Budgetary Information (Continued)**

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

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

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

For the fiscal year ended June 30, 2024, there were none of the State agency's P-code reporting expenses/expenditures exceeding budget authority.

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

**1. Cash and Cash Equivalents**

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

**2. Investments**

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

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

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

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

**2. Investments (Continued)**

The Education Trust Board calculates the net asset value of its units as of the close of The New York Stock Exchange (the Exchange), normally 4:00 P.M. Eastern time, on each day the Exchange is open for business. The net asset values of the investments are determined as of the close of the Exchange on each day the Exchange is open for trading. Short-term money market-type debt securities with remaining maturities of 60 days or less are valued at amortized cost (which approximates market value).

**3. Investment Pools**

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

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

In addition to the SGFIP pooled cash account, the State Treasurer maintains the Local Government Investment Pool (LGIP). The LGIP also includes the deposits in the Reserve Contingency Fund. Cities, counties, other nonstate agencies, and state agencies invest monies with the State Treasurer in the LGIP. Because these pooled funds are subject to redemption limitations, the individual fund investments in the LGIP are reported as investments.

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

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

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

**3. Investment Pools (Continued)**

The LGIP, an external investment pool, is not registered with the Security and Exchange Commission (SEC) as an investment company. The investments are recorded at fair value based on quoted market price; however, individual participant balances remain at their carrying cost. The LGIP does not have unit shares. Per Chapter 6-10-10.1F, New Mexico Statutes Annotated (NMSA) 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in the amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. At June 30, 2024, the LGIP carrying cost approximated the fair value. Participation in the LGIP is voluntary. The external portion of LGIP is reported as a separate investment trust fund. The internal portion, consisting of funds belonging to the State and its component units, has been included in the various funds and component units.

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

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

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



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

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

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

**3. Investment Pools (Continued)**

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

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

**4. Inventories**

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

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

**5. Receivables and Loan Receivables**

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

Various reimbursement procedures are used for federal awards received by the State. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. As a result of this and other issues, management provides an allowance for potential contractual allowances for federal revenue. Any changes in these estimates are recorded in the period that the estimate is changed. Loans are stated at their principal amount. Interest on loans is accrued based on the daily principal balance outstanding, except when a loan has been past due for 90 days. Certain loans are to governmental entities and secured by certain pledged revenues. The loans are being repaid in accordance with their loan agreements.

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

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

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

**6. Capital Assets**

Capital assets, which include automobiles, buildings and improvements, furniture and fixtures, software, library books, infrastructure (e.g., roads, bridges, sidewalks, and similar items), machinery and equipment, and portable buildings are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The State defines capital assets as costing at least \$5,000 or more when acquired and having an estimated useful life greater than one year. The significant threshold related to aggregate capital asset acquisition for the State is \$200,000. If a similar grouping of capital asset acquisition exceeds this amount in total, at the time of purchase, the acquisition will be capitalized.

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

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

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

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

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

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

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

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

**6. Capital Assets (Continued)**

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

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

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

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

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**8. Accrued Liabilities**

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

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

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

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

**9. Compensated Absences**

Qualified employees' vacation leave is accrued at a graduated schedule of 80 to 160 hours per year, depending upon the length of service and employees' hire date. Employees are paid for the accumulated annual leave upon retirement or other termination up to 240 hours. A maximum of 30 days of annual leave (240 hours) may be carried forward into the beginning of the calendar year, with any excess forfeited. Qualified employees sick leave accrued at the rate of four hours per bi-weekly pay period. There is no limit to the amount of sick leave, which an employee may accumulate. Employees are paid for accumulated sick leave annually, or upon retirement or other termination, but only for accumulated sick leave in excess of 600 hours. Annually, employees may be paid 50% of the excess over 600 hours, up to a maximum of 120 hours. Upon retirement or other termination, employees are paid 50% of the excess over 600 hours, up to maximum of 400 hours. The total liability of the governmental activities for compensated absences is recorded in the government-wide statement of net position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the Governmental funds financial statements. See additional disclosure in the detailed notes.

**10. Unearned Revenue**

In the government-wide statements, governmental activities/funds, proprietary fund statements, and fiduciary fund statements, unearned revenue is recorded when cash or other assets are received prior to being earned. GASB Statement 65 requires resources received from another government under voluntary or government-mandated nonexchange transactions before time restrictions are met, but after all other eligibility requirements are met, should be classified as deferred inflows of resources.

**11. Bonds Payable**

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

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

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

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

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

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

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

**13. Interfund Transactions**

Government-Wide Financial Statements

**Interfund Activity**

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

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

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

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

**13. Interfund Transactions (Continued)**

Government-Wide Financial Statements (Continued)

**Interfund Balances**

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

**Interfund Activity**

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

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

**14. Net Position and Fund Balance**

- **Net investment in capital assets.** Consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of bonds, mortgages, notes, lease liabilities, subscription-based information technology arrangements, or other debt attributable to the acquisition, construction, or improvement of such assets. Significant unspent related debt proceeds are not included in the calculation of net investment in capital assets. The unspent portion of the debt is included in restricted for capital projects. The State issues General Obligation bonds and Severance Tax bonds to finance projects for the State and local governments. The Legislature appropriates the bond proceeds from each bond issue to projects throughout the State. Only bonds issued for projects appropriated to State agencies and recognized as a State asset are included in this calculation.
- **Restricted net position.** The State reports net position as restricted when constraints placed on net position are a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

**14. Net Position and Fund Balance (Continued)**

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

- **Unrestricted net position.** Amounts consist of net position that does not meet the definition of net investment in capital assets or restricted net position.

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

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned.

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

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

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

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

**14. Net Position and Fund Balance (Continued)**

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

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

**H. Revenues and Expenditures/Expenses**

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

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

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



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

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

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

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

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

Grants

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

Investment Income

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

Endowments

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

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

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

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

Retirement and Employee Benefit Costs

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

**I. Use of Estimates**

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

**J. New Accounting Standards**

For the fiscal year ended June 30, 2024, the State implemented the following new accounting standards issued by the GASB:

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

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

**K. Future Accounting Standards**

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

GASB Statement No. 101, *Compensated Absences*

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

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

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

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

GASB Statement No. 102, *Certain Risk Disclosures*

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

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

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

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

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

**L. State Auditor Rule Disclosure**

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

Disclosure of these schedules may be found in the stand-alone audit reports which have been issued by the individual State agencies. These are available from the Office of the State Auditor at <https://www.osa.nm.gov/>.

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

**NOTE 2 CASH PRIMARY GOVERNMENT**

**New Mexico State Treasurer**

All monies, except with specific authority, must be deposited with the State Treasurer. These operating funds are commingled in the State Investment Pool, managed by the Treasurer. Every State agency reports its operating cash as "Investment in State General Fund Investment Pool", and this pool is reported in Note 3, "Investments". The issues concerning the reconciliation of the State General Fund Investment Pool and the resolution are reported in Note 16, "State General Fund Investment Pool."

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

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

**Custodial Credit Risk**

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

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

**NOTE 2 CASH PRIMARY GOVERNMENT (CONTINUED)**

**New Mexico State Treasurer (Continued)**

**Custodial Credit Risk (Continued)**

The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance. The Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250 thousand in federal deposit insurance. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment, dependent on the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50% of the average investment balance.

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

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

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

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

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

**NOTE 2 CASH PRIMARY GOVERNMENT (CONTINUED)**

**New Mexico State Treasurer (Continued)**

**Custodial Credit Risk (Continued)**

While the balances of the Office of State Treasurer are fully collateralized per state statute, GASB Statement No. 40 requires that the State disclose balances which are not fully insured. As of June 30, 2024, the funds held by the State Treasurer in the fiscal agency account were exposed to custodial credit risk as follows:

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

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

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

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

**NOTE 3 INVESTMENTS**

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

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

**A. State Treasurer**

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

**General Fund Investment Pool**

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

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

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

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

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

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

Cities, counties, and other state agencies invest monies in the State Treasurer external investment pool (LGIP). The LGIP investments are presented at fair value based on the valuation date in the financial statements. The individual participant balances remain at their amortized cost. As of June 30, 2024, LGIP amortized cost approximated fair value, with the difference deemed immaterial.



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

**NOTE 3 INVESTMENTS (CONTINUED)**

**A. State Treasurer (Continued)**

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

The LGIP is not SEC registered. Chapter 6-10-10.1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies, and are either direct obligations of the United States or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and adhere to the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the LGIP is voluntary. As of June 30, 2024, the WAM(R) of the LGIP was 30 days, and the WAM(F) was 39 days. The fund was rated AAAM by Standard & Poor's as of June 30, 2024.

**Investment Guidelines and Limitations**

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

**B. State Investment Council**

The State of New Mexico Investment Council (the Council) is responsible for the investment activities of certain State trust funds. The Council is composed of 11-members, and currently manages the Land Grant, Severance Tax, and Tobacco Settlement Permanent Funds, the Water Trust Fund, and various investment pools for the benefit of state agencies and other political entities within the State of New Mexico.

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

**C. Pension Benefits Funds**

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

**D. State Universities and Colleges**

As mentioned in Note 1. B, the 10 educational institutions created by the *Constitution of the State of New Mexico* are included in the State reporting entity. Eight of these institutions maintain separate investment portfolios, as permitted by statute, with some of the investments held and managed by State agencies and some managed by the institutions themselves. Each has investment policies and guidelines which are similar.

**E. Education Trust Board**

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

**F. Individual State Agencies**

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

**1. Fair Value Measurement**

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

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

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

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

**2. Custodial Credit Risk**

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

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

Public Employees Retirement Association (PERA's) securities are held by a third-party custodian, independent of any counterparty. The Custodian holds assets directly, through its agents, its sub-custodians, or designated clearing systems, and is responsible for delivery, receipt, pricing, valuation, and record-keeping services for all securities. PERA reports securities valued at \$8.7 billion as held in the name of the investment fund by the fund's custodian bank, and \$8.5 billion held under custody arrangements contracted by fund managers.

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

The University of New Mexico reports that the primary institution had no exposure to custodial credit risk at June 30, 2024. Its discretely presented component units had exposure for a total of \$9.0 million. All of the other schools reported no exposure to custodial credit risk.

**3. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. obligations or investments guaranteed by the U.S. Government are excluded from this requirement. The quality rating of PERA's investment policy restricts investments to specific investment ratings issued by nationally recognized statistical rating organizations.

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

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

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

The quality ratings of investments in fixed income securities at June 30, 2024, were as follows:

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

| Investment                               | Rating    | Fair Value    |
|------------------------------------------|-----------|---------------|
| Investments Subject to Credit Risk - S&P |           |               |
| Ratings:                                 |           |               |
| Government Bonds                         | AA+       | \$ 10,272,020 |
|                                          | AA        | 6,707         |
|                                          | A+        | 6,405         |
|                                          | A         | 6,865         |
|                                          | BBB+      | 1,732         |
|                                          | BBB       | 38,595        |
|                                          | BBB-      | 10,170        |
|                                          | BB+       | 23,143        |
|                                          | BB        | 18,131        |
|                                          | BB-       | 7,903         |
|                                          | B+        | 4,594         |
|                                          | B         | 2,959         |
|                                          | B-        | 7,380         |
|                                          | CCC+      | 2,394         |
|                                          | CCC       | 4,399         |
|                                          | CC        | 962           |
|                                          | Not Rated | 229           |



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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

| State of New Mexico<br>Quality Ratings of Investments (Continued)<br>(Expressed in Thousands) |           |            |
|-----------------------------------------------------------------------------------------------|-----------|------------|
| Investment                                                                                    | Rating    | Fair Value |
| Investments Subject to Credit Risk - S&P                                                      |           |            |
| Ratings (Continued):                                                                          |           |            |
| Corporate Bonds                                                                               | AAA       | \$ 122,096 |
|                                                                                               | AA+       | 384,184    |
|                                                                                               | Aa1       | 70,821     |
|                                                                                               | AA        | 160,476    |
|                                                                                               | Aa2       | 7,653      |
|                                                                                               | AA-       | 306,338    |
|                                                                                               | Aa3       | 3,756      |
|                                                                                               | A+        | 651,344    |
|                                                                                               | A1        | 32,776     |
|                                                                                               | A-1       | 26,965     |
|                                                                                               | A         | 789,125    |
|                                                                                               | A2        | 14,585     |
|                                                                                               | A-        | 568,166    |
|                                                                                               | A3        | 15,855     |
|                                                                                               | Baa1      | 15,078     |
|                                                                                               | BBB+      | 588,287    |
|                                                                                               | Baa2      | 15,383     |
|                                                                                               | BBB       | 821,120    |
|                                                                                               | Baa3      | 4,331      |
|                                                                                               | BBB-      | 550,712    |
|                                                                                               | BB+       | 655,195    |
|                                                                                               | Ba1       | 1,009      |
|                                                                                               | BB        | 715,724    |
|                                                                                               | BB-       | 857,463    |
|                                                                                               | B+        | 551,360    |
|                                                                                               | B         | 541,664    |
|                                                                                               | B-        | 404,107    |
|                                                                                               | CCC+      | 160,071    |
|                                                                                               | CCC       | 92,408     |
|                                                                                               | CCC-      | 15,407     |
|                                                                                               | D         | 4,735      |
|                                                                                               | Not Rated | 101,405    |
| Agency Securities (GSEs)                                                                      | AA+       | 2,701,010  |

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

State of New Mexico  
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       | \$ 149,123 |
|                                          | AA+       | 1,342,551  |
|                                          | AA        | 33,550     |
|                                          | AA-       | 101,256    |
|                                          | A+        | 18,296     |
|                                          | A         | 75,177     |
|                                          | A-        | 3,592      |
|                                          | BBB+      | 14,346     |
|                                          | BBB       | 28,948     |
|                                          | BBB-      | 9,233      |
|                                          | BB+       | 2,092      |
|                                          | BB        | 878        |
|                                          | BB-       | 544        |
|                                          | B+        | 44         |
|                                          | B-        | 1,552      |
|                                          | CCC       | 1,882      |
|                                          | CC        | 312        |
|                                          | D         | 81         |
|                                          | Not Rated | 532,252    |
| Commercial Paper                         | AAA       | 99,359     |
|                                          | AA+       | 315,973    |
|                                          | AA-       | 116,768    |
|                                          | A+        | 59,999     |
|                                          | A-1       | 101,588    |
|                                          | A-1+      | 111,786    |
|                                          | A         | 84,807     |
|                                          | Not Rated | 825,831    |
| Discounted Notes                         | AAA       | 164,443    |
|                                          | AA+       | 569,124    |
|                                          | A-1+      | 250,490    |
|                                          | Not Rated | 3,689      |
| U.S. Government Bonds                    | AA+       | 822,314    |

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

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

New Mexico Education Trust Board  
Quality Rating of Investments  
June 30, 2024

Scholar's Edge Plan

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

| Portfolio/Rating                             | B      | Below B | Not Rated | Total    |
|----------------------------------------------|--------|---------|-----------|----------|
| iShares Core U.S. Aggregate Bond ETF         | 0.00 % | 0.00 %  | 8.10 %    | 100.00 % |
| MainStay MacKay High Yield Corp. Class R-6   | 31.30  | 4.70    | 1.50      | 100.00   |
| Principal Core Fixed Income Fund Class R-6   | 0.20   | 0.00    | 0.00      | 100.00   |
| Principal Short-Term Income Fund Inst. Class | 0.00   | 0.00    | 7.50      | 100.00   |
| Vanguard Total Int'l. Bond Index Fund ETF    | 0.00   | 1.90    | 0.50      | 100.00   |

The Education Plan

| Portfolio/Rating                                     | AAA    | AA       | A      | BBB    | BB     |
|------------------------------------------------------|--------|----------|--------|--------|--------|
| DFA Inflation-Protected Securities - Inst. Class     | 0.00 % | 100.00 % | 0.00 % | 0.00 % | 0.00 % |
| iShares Core Int'l. Aggregate Bond ETF               | 20.10  | 23.40    | 33.20  | 15.20  | 0.00   |
| Nuveen Core Plus Bond R-6                            | 3.80   | 41.70    | 11.50  | 24.20  | 10.40  |
| Vanguard Short-Term Inflation-Prot. Sec. Index Inst. | 100.00 | 0.00     | 0.00   | 0.00   | 0.00   |
| Vanguard Short-Term Treasury Index Inst.             | 100.00 | 0.00     | 0.00   | 0.00   | 0.00   |
| Vanguard Total Bond Market                           | 71.50  | 3.00     | 12.50  | 13.00  | 0.00   |
| Vanguard Untra Short-Term Bond - Adm                 | 26.70  | 4.80     | 36.70  | 30.60  | 0.20   |
| Vanguard High Yield Corp. ADM                        | 5.10   | 2.10     | 0.20   | 4.50   | 51.40  |
| PGIM Global Total Return Class R-6                   | 21.70  | 10.60    | 18.40  | 32.20  | 10.20  |

| Portfolio/Rating                                     | B      | Below B | Not Rated | Total    |
|------------------------------------------------------|--------|---------|-----------|----------|
| DFA Inflation-Protected Securities - Inst. Class     | 0.00 % | 0.00 %  | 0.00 %    | 100.00 % |
| iShares Core Int'l. Aggregate Bond ETF               | 0.00   | 0.00    | 8.10      | 100.00   |
| Nuveen Core Plus Bond R-6                            | 5.20   | 0.40    | 2.80      | 100.00   |
| Vanguard Short-Term Inflation-Prot. Sec. Index Inst. | 0.00   | 0.00    | 0.00      | 100.00   |
| Vanguard Short-Term Treasury Index Inst.             | 0.00   | 0.00    | 0.00      | 100.00   |
| Vanguard Total Bond Market                           | 0.00   | 0.00    | 0.00      | 100.00   |
| Vanguard Untra Short-Term Bond - Adm                 | 0.00   | 0.10    | 0.90      | 100.00   |
| Vanguard High Yield Corp. ADM                        | 31.00  | 4.90    | 0.80      | 100.00   |
| PGIM Global Total Return Class R-6                   | 2.40   | 1.30    | 3.20      | 100.00   |

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**4. Concentration of Credit Risk**

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. It is the policy of the State to diversify its investments portfolios. Assets shall be diversified to reduce the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At June 30, 2024, there were no holdings with a single issuer comprising 5% or more of total net investments. It should be noted that investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

**5. Interest Rate Risk**

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

PERA's interest rate risk is controlled by the duration guidelines provided in the Investment Guidelines for each fixed income manager. Duration is loosely defined as the dollar weighted average time to recover all of principal and fixed-income investment. PERA's fixed-income managers are typically limited to duration of plus or minus one year or 20% of the duration of the applicable portfolio benchmark. ERB does not have a policy for interest rate risk management. However, interest rate risk is managed through duration by operating within defined risk parameters versus a benchmark index.

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

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

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



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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**6. Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Exposure to foreign currency risk at June 30, 2024 was as follows:

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**7. Securities Lending**

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

The types of securities lent are U.S. treasury notes and bonds, U.S. and international equity securities, and corporate bonds and notes. Under this program, securities are transferred to an independent broker-dealer or other lending agent in exchange for collateral in the form of cash, government securities, and/or irrevocable bank letters of credit, with a simultaneous agreement to return the collateral for the same securities in the future. The collateral must equal at least 102% of the market value of the securities.

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

Total securities on loan at June 30, 2024, had a carrying amount and fair value of \$581.8 million. Under the agreement, the lending agent is required to indemnify the entity if the borrower fails to return the securities, if collateral is inadequate to replace the securities lent, or if the counterparty fails to pay the entity for income distributions by the securities' issuers while the securities are on loan. There were no such losses during the year ended June 30, 2024, due to borrower default.

The fair value of investments made with cash collateral is reported as an asset; the fair value of collateral received is recorded as a liability as PERA must return the cash collateral to the borrower upon the expiration of the loan. The securities lending obligations were \$565.9 million at June 30, 2024. Total cash and noncash collateral was \$601.6 million, 103% of the fair value of the securities on loan.

As of June 30, 2024, there had been no losses resulting from borrower defaults and PERA had no credit risk exposure to borrowers because the amounts PERA owed to borrowers did not exceed the amounts the borrowers owed to PERA. Net earnings from the securities lending program totaled \$4.1 million for the fiscal year.

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives**

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

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

The fair value balances and notional amounts of derivative instruments outstanding for PERA and ERB at June 30, 2024, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the financial statements are as follows:

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

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

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives (Continued)**

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

| Derivative Type             | Classification    | Gain/Loss | Classification | Amount |
|-----------------------------|-------------------|-----------|----------------|--------|
| Commodity Futures - Long    | Investment Income | \$ 778    | Investment     | \$ -   |
| Commodity Futures - Short   | Investment Income | (101)     | Investment     | -      |
| Fixed Income Futures - Long | Investment Income | (1,223)   | Investment     | -      |
| Index Futures - Long        | Investment Income | 22,977    | Investment     | -      |
| Index Futures - Short       | Investment Income | 3         | Investment     | -      |

**Types of Derivative Instruments:**

**Risk**

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

**Futures Contracts**

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives (Continued)**

Types of Derivatives Instruments (Continued)

**Options**

An option is a contract in which the writer of the option grants the buyer of the option the right to purchase from (call option), or sell to (put option) the writer a designated instrument at a specified price within a specified period. Both written and purchased options were used by the State during the fiscal year. When the State purchases or writes an option, an amount equal to the premium paid or received by the State is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Gain or loss is recognized when the option contract expires or is closed. As of June 30, 2024, there were no open written or purchased options.

**Swap Contracts**

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives (Continued)**

Types of Derivatives Instruments (Continued)

**Hedge Funds**

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

**Asset-Backed Securities**

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**9. Discretely Presented Component Units**

Fair Value

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

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

Fair Value (Continued)

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



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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

Credit Risk

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

| State of New Mexico<br>Discretely Presented Component Units<br>Quality Ratings<br>(Expressed in Thousands) |              |                            |
|------------------------------------------------------------------------------------------------------------|--------------|----------------------------|
| Investment Type                                                                                            | Rating       | Value                      |
| Investments Subject to Credit Risk - S&P Ratings:                                                          |              |                            |
| Securitized Mortgage Loans                                                                                 | Gov't. Guar. | \$ 1,095,078               |
|                                                                                                            | AA           | 218,952                    |
| Agency Securities (GSEs)                                                                                   | AAA          | 20,427                     |
|                                                                                                            | AA+          | 2,033                      |
| Certificates of Deposits                                                                                   | Not Rated    | 13,844                     |
| U.S. Treasury Securities                                                                                   | AA+          | 8,852                      |
|                                                                                                            | Not Rated    | 560                        |
| U.S. Government Agencies                                                                                   | AA+          | 6,781                      |
| Asset-Backed Securities                                                                                    | AAA          | 14                         |
|                                                                                                            | Not Rated    | 766                        |
| Corporate Bonds                                                                                            | AA+          | 13                         |
|                                                                                                            | AA           | 21                         |
|                                                                                                            | A+           | 21                         |
|                                                                                                            | A-           | 130                        |
|                                                                                                            | BBB+         | 163                        |
|                                                                                                            | BBB          | 104                        |
| U.S. Corporate Obligations                                                                                 | AAA          | 287                        |
|                                                                                                            | Not Rated    | 34                         |
| Total Subject to Risk - S & P Ratings                                                                      |              | <u>1,368,080</u>           |
| Total Subject to Credit Risk                                                                               |              | 1,368,080                  |
| Total Not Subject to Credit Risk                                                                           |              | 1,078,830                  |
| Information Not Available                                                                                  |              | <u>1,252,881</u>           |
| Total Investments, Discretely Presented Components                                                         |              | <u><u>\$ 3,699,791</u></u> |

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

Interest Rate Risk

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

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

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

**NOTE 4    RECEIVABLES**

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

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

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

**NOTE 4 RECEIVABLES (CONTINUED)**

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

**Leases Receivable**

The following are schedules of the future minimum payments for leases receivable as of June 30, 2024 (expressed in thousands):

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

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

**NOTE 4 RECEIVABLES (CONTINUED)**

**Leases Receivable (Continued)**

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

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

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

**NOTE 4 RECEIVABLES (CONTINUED)**

**Discrete Component Units**

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

NMFA & NMMFA - Loan Loss Allowance

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

NM Finance Authority Loans have repayment terms ranging from 1 to 30 years. The stated interest rates are between 0% - 6%. NMMFA mortgage loans have repayment terms ranging from 10 to 40 years. The stated interest rates for these programs are as follows:

NMMFA - Loan Repayment Terms

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

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

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

**NOTE 5 INTERFUND AND INTERAGENCY RECEIVABLES, PAYABLES, AND TRANSFERS**

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

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

The composition of interfund balances as of June 30, 2024, is as follows (expressed in thousands):

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

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

**NOTE 6 CAPITAL ASSETS**

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

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



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

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

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

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

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

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

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

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

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

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

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

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

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

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

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

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

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

**NOTE 7 DEFERRED OUTFLOWS OF RESOURCES**

**A. Deferred Charge on Refunding**

The State issued multiple series of refunding bonds in prior years to advance-refund certain older issues. Thus, the bonds which were advance-refunded are considered defeased in substance. The excess of the reacquisition price (funds required to refund the old debt) over the net carrying amount of the old debt resulted in a loss, reported as a deferred outflow of resources. For fiscal year ending June 30, 2024, the deferred outflow of resources for governmental activities and business-type activities were as follows (expressed in thousands):

Deferred Charge on Refunding

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

**B. Interest Rate Swaps**

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

**NOTE 8 LONG-TERM LIABILITIES**

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

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

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

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

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

**A. General Obligation Bonds**

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

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

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

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

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

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

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

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

| Fiscal Year Ending June 30, | Principal         | Interest         | Total             |
|-----------------------------|-------------------|------------------|-------------------|
| 2025                        | \$ 99,355         | \$ 22,358        | \$ 121,713        |
| 2026                        | 62,175            | 17,391           | 79,566            |
| 2027                        | 67,545            | 14,282           | 81,827            |
| 2028                        | 47,150            | 10,905           | 58,055            |
| 2029                        | 51,870            | 8,547            | 60,417            |
| 2030 - 2034                 | 119,075           | 14,421           | 133,496           |
| Total                       | <u>\$ 447,170</u> | <u>\$ 87,904</u> | <u>\$ 535,074</u> |

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

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

**B. Severance Tax Bonds**

Severance tax bonds are used to fund the capital needs of state agencies, local governments, and public and higher education as authorized by the Legislature of the State of New Mexico. In addition, severance tax bonds have been issued to refund severance tax bonds. Funding for the payment of the debt service of the severance tax bonds is provided through the collection of severance taxes levied on the mining and production of various natural resources, such as minerals, oil, and gas. The severance tax bonds are secured by the levied taxes. This is a permanent commitment of a portion of total severance tax revenues. As authorized by State statute, severance tax revenues are transferred to the Severance Tax Bonding Fund and first pay the required debt service on severance tax bonds and supplemental severance tax bonds issued by the State, with the remainder being transferred to the Severance Tax Permanent Fund. For the year ended June 30, 2024, total severance tax revenues transferred to the Severance Tax Bonding Fund were \$2.4 billion. The total principal and interest requirements were \$180.6 million for long-term debt and \$1.0 billion for short-term debt for all severance tax and supplemental severance tax bonds and short-term notes.

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

Severance Tax Bonds Payable  
*(Expressed in Thousands)*

| Bond Issue                        | Date Issued | Maturity Date | Interest Rate | Original Issue | Balance June 30, 2024 | Due in One Year   |
|-----------------------------------|-------------|---------------|---------------|----------------|-----------------------|-------------------|
| Series 2015A                      | 8/12/2015   | 2026          | 5.00 %        | \$ 129,195     | \$ 35,530             | \$ 17,320         |
| Series 2015B Supplemental         | 8/12/2015   | 2026          | 5.00          | 69,745         | 17,365                | 8,465             |
| Series 2016A                      | 6/23/2016   | 2027          | 3.00 - 5.00   | 78,750         | 43,220                | 13,690            |
| Series 2016B                      | 6/23/2016   | 2025          | 4.00          | 181,395        | 20,550                | 20,550            |
| Series 2016D                      | 12/6/2016   | 2028          | 5.00          | 26,725         | 19,655                | 2,455             |
| Series 2017A                      | 8/8/2017    | 2028          | 5.00          | 69,470         | 33,920                | 8,225             |
| Series 2018A                      | 6/28/2018   | 2029          | 5.00          | 122,560        | 69,945                | 12,625            |
| Series 2020A                      | 11/3/2020   | 2031          | 5.00          | 94,735         | 74,745                | 9,260             |
| Series 2021A                      | 6/29/2022   | 2032          | 5.00          | 317,170        | 265,755               | 27,705            |
| Series 2022A                      | 6/29/2022   | 2033          | 5.00          | 260,900        | 240,280               | 21,675            |
| Series 2022B                      | 10/11/2022  | 2033          | 5.00          | 293,310        | 270,130               | 24,370            |
| Total Severance Tax Bonds Payable |             |               |               |                | <u>\$ 1,091,095</u>   | <u>\$ 166,340</u> |

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

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



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

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

**B. Severance Tax Bonds (Continued)**

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

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

**C. Short-Term Debt**

Per Section 7-27-8 NMSA, the Office of State Treasurer is required to transfer any money left in the Severance Tax Bond Fund every June 30 and December 31 to the Severance Tax Permanent Fund. The State Board of Finance issues short-term Severance Tax Notes, which are of one to three days duration, in order to more fully utilize the excess cash until such time as it is transferred. During the fiscal year 2024, short-term notes were sold and redeemed as follows (expressed in thousands):

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

**D. Revenue Bonds**

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

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

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

**D. Revenue Bonds (Continued)**

Revenue bonds payable are as follows:

Governmental Activities

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

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

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

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

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

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

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

**D. Revenue Bonds (Continued)**

Governmental Activities (Continued)

Of the total of bonds and loans payable for governmental activities, \$166.1 million is payable to NM Finance Authority, a discretely presented component unit. These loans are considered to be direct borrowings. There are various covenants in the loan agreements which protect the lender from a default. These are summarized as follows:

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

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

Several of the loans reported are secured by prior agreement with tax revenue intercepted by the State Taxation and Revenue Department and sent directly to the NMFA. This includes loans to the General Services Department totaling \$261.4 thousand.

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

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

**D. Revenue Bonds (Continued)**

Business-Type Activities

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

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

| Bond Issue                                                                                                                   | Maturity Date | Interest Rate | Original Issue | Balance June 30, 2024 | Due in One Year |
|------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|-----------------------|-----------------|
| The following are direct borrowings, loans issued by NMFA to various state educational institutions, based on the bonds:     |               |               |                |                       |                 |
| System Imp. Revenue Series 2015 A                                                                                            | 2045          | 0.34 - 3.93 % | \$ 12,480      | \$ 10,960             | \$ 925          |
| System Revenue Refunding Series 2015 B                                                                                       | 2026          | 0.34 - 2.44   | 6,175          | 1,210                 | -               |
| System Imp. Revenue Bonds Series 2017                                                                                        | 2038          | 0.09 - 3.48   | 5,645          | 4,238                 | 256             |
| System Imp. Revenue Bonds Series 2020                                                                                        | 2036          | 1.12 - 2.75   | 22,445         | 18,200                | 1,070           |
| General Obligation Bonds Series 2020                                                                                         | 2030          | 0.47 - 1.25   | 3,000          | 620                   | 100             |
| System Refunding Revenue Series 2009 B                                                                                       | 2035          | 5.32 - 6.07   | 14,000         | 7,635                 | 570             |
| System Refunding Revenue Series 2012                                                                                         | 2034          | 0.93 - 4.26   | 19,741         | 10,020                | 835             |
| System Refunding Revenue Series 2021                                                                                         | 2031          | 1.01          | 8,470          | 5,955                 | 830             |
| Series 2019A Improvement                                                                                                     | 2039          | 1.30 - 2.89   | 5,181          | 4,225                 | 247             |
| Series 2019B Improvement                                                                                                     | 2044          | 1.30 - 3.15   | 6,689          | 6,299                 | 126             |
| System Refunding & Imp. Revenue Series 2013                                                                                  | 2038          | 2.10 - 5.10   | 6,755          | 3,245                 | 180             |
| System Revenue Refunding Series 2020 A                                                                                       | 2038          | 2.25          | 9,000          | 7,379                 | 491             |
| System Improvement Series 2020 B                                                                                             | 2045          | 2.25          | 7,631          | 6,822                 | 169             |
| Series 2022 Subordinate Lien System Improvement Bonds                                                                        | 2042          | 2.61          | 5,080          | 4,645                 | 205             |
| Loan Payable                                                                                                                 | 2036          | 1.50 - 2.50   | 7,000          | 4,935                 | 320             |
| Bond Series 2022                                                                                                             | 2042          | 3.60 - 5.00   | 28,065         | 28,060                | 5               |
| 2016 A PPRF - UNM Health Sciences Ctr. - Loan                                                                                | 2025          | 1.90 - 4.90   | 26,200         | 2,970                 | 2,970           |
| UNM ADW - UNM - Green Water Project - Loan                                                                                   | 2032          | 0.75          | 399            | 170                   | 20              |
| Subtotal                                                                                                                     |               |               |                | 127,588               | 9,319           |
| The following are direct borrowing mortgage loans issued by separate financial institutions to the University of New Mexico: |               |               |                |                       |                 |
| Mortgage Loan                                                                                                                | 2041          | 1.98          | 106,386        | 88,915                | 6,057           |
| Mortgage Loan - UNM Hospital                                                                                                 | 2049          | 3.28          | 276,877        | 276,877               | 6,281           |
| Total Direct Borrowings                                                                                                      |               |               |                | 365,792               | 12,338          |
| The following Revenue Bonds are direct placements:                                                                           |               |               |                |                       |                 |
| MCMC St. Perm. Fd. Rev. Imp. & Refunding Series 2013                                                                         | 2023          | 3.00          | 14,645         | 3,600                 | 1,170           |
| Refunding and Imp. Revenue Series 2013 A-C                                                                                   | 2030          | 1.89 - 5.27   | 56,200         | 12,055                | 4,310           |
| System Imp. Revenue Series 2017 A-C                                                                                          | 2042          | 1.75 - 5.00   | 73,240         | 56,630                | 3,295           |
| Refunding and Imp. Revenue Series 2019 A & B                                                                                 | 2040          | 2.00 - 5.00   | 24,985         | 17,865                | 1,950           |
| Series 2013A Improvement                                                                                                     | 2028          | 2.00 - 4.00   | 8,935          | 2,500                 | 800             |
| System Revenue Series 2019                                                                                                   | 2040          | 4.00          | 8,555          | 7,900                 | 190             |
| UNM Hospital Mortgage Bond                                                                                                   | 2032          | 0.48 - 3.53   | 115,000        | 61,485                | 6,690           |
| Subordinate Lien System Imp. Revenue Series 2001                                                                             | 2026          | Variable      | 52,625         | 6,755                 | 3,305           |
| Subordinate Lien System Refunding Revenue Series 2002 B                                                                      | 2026          | Variable      | 25,475         | 5,455                 | 1,790           |
| Subordinate Lien System Refunding Revenue Series 2002 C                                                                      | 2030          | Variable      | 37,840         | 17,020                | 2,675           |
| Subordinate Lien System Imp. Revenue Series 2016A                                                                            | 2046          | 2.00 - 5.00   | 158,435        | 134,605               | 7,780           |
| Subordinate Lien System Imp. Revenue Series 2017                                                                             | 2047          | 3.25 - 5.00   | 40,900         | 36,055                | 890             |
| Subordinate Lien System Imp. Revenue Series 2019                                                                             | 2032          | 1.85 - 3.02   | 22,140         | 15,000                | 1,710           |
| Subordinate Lien System Ref. Revenue Series 2021                                                                             | 2035          | 0.17 - 2.17   | 74,450         | 70,080                | 7,340           |
| System Improvement Revenue Bond - Series 2023                                                                                | 2053          | 4.13 - 5.50   | 51,995         | 51,895                | 565             |
| Total Direct Placements                                                                                                      |               |               |                | 498,900               | 44,460          |
| Total Revenue Bonds and Loans, Business-type Activities                                                                      |               |               |                | \$ 992,280            | \$ 66,117       |

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

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

**D. Revenue Bonds (Continued)**

Business-Type Activities (Continued)

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

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

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

Of the total of bonds and loans payable for business-type activities, \$125.4 thousand is payable to NM Finance Authority, a discretely presented component unit. These loans are considered to be direct borrowings. There are various covenants in the loan agreements which protect the lender from a default. These are summarized as follows:

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

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

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

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

**E. Pledged Revenue**

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

**Governmental Activities**

***Agency:***

Purpose of Bonds:

Total Amount of Bonds Issued:

Type of Revenues Pledged:

Term of Commitment:

Total Debt Service Remaining:

Revenue Stream for Current Year:

Debt Service for Current Year:

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

Construction and acquisition of capital projects statewide

\$ 1.7 billion

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

Through June 30, 2032

\$ 1.3 billion

\$ 2.1 billion

\$ 177.1 million

***Agency:***

Purpose of Bonds:

Total Amount of Bonds Issued:

Type of Revenues Pledged:

Term of Commitment:

Total Debt Service Remaining:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Department of Transportation***

Construct and improve State highway and transportation system.

\$ 914.6 million

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

Through June 30, 2032

\$ 697.4 million

\$ 1.1 billion

\$ 156.9 million

***Agency:***

Purpose of Bonds

Total Amount of Debt Issued:

Type of Revenues Pledged:

Total Debt Service Remaining:

Term of Commitment:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Spaceport Authority***

Construction of the Spaceport America launch facility.

\$35.4 million

Authority's share of governmental gross receipts tax revenue

\$ 23 million

Through June 30, 2029

\$ 10.8 million

\$ 4.6 million

***Agency:***

Purpose of Bonds

Total Amount of Debt Issued:

Type of Revenues Pledged:

Total Debt Service Remaining:

Term of Commitment:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Bernalillo County Metropolitan Court***

Court parking structure

\$ 30.7 million

Court facilities fees collected.

\$ 3.9 million

Through June 30, 2025

\$ 5.4 million

\$ 3.6 million

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

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

**E. Pledged Revenue (Continued)**

**Governmental Activities (Continued)**

|                                  |                                               |
|----------------------------------|-----------------------------------------------|
| <b>Agency:</b>                   | <b>General Services Department</b>            |
| Purpose of Bonds                 | State facilities acquisition and development. |
| Total Amount of Debt Issued:     | \$ 147.4 million                              |
| Type of Revenues Pledged:        | Government gross receipts tax, cigarette tax. |
| Total Debt Service Remaining:    | \$ 170.8 million                              |
| Term of Commitment:              | Through June 30, 2043                         |
| Revenue Stream for Current Year: | \$ 8.1 million                                |
| Debt Service for Current Year:   | \$ 7.3 million                                |

**Business-Type Activities**

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

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

**F. Leases Payable**

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

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

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

**F. Leases Payable (Continued)**

Right-to-Use Assets

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

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

Lease Liability

The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation date, at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. If a discount rate is not stated in the agreement, the lessee's incremental borrowing rate should be used. For leases beginning during fiscal year 2024, the State has adopted the rate of 2.13% for lease terms greater than one year and less than five years, 2.06% for lease terms greater than five years and less than 10 years, 2.41% for lease terms greater than 10 years.

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

The present value of the future minimum lease obligations under these agreements are as follows:

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



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

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

**F. Leases Payable (Continued)**

Lease Liability (Continued)

Business-Type Activities  
*(Expressed in Thousands)*

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

Fiduciary Activities  
*(Expressed in Thousands)*

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

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

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

\* Total interest not furnished.

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

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

**G. Subscriptions Payable**

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

The future subscription payments under SBITA agreements are as follows:

Governmental Activities  
*(Expressed in Thousands)*

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

Business-Type Activities  
*(Expressed in Thousands)*

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

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

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

Fiduciary Activities  
*(Expressed in Thousands)*

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

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

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

**H. Conduit Debt Component Unit**

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

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

At June 30, 2024, conduit debt obligations outstanding are as follows:

| New Mexico Hospital Equipment Loan Council<br>Conduit Debt<br>(Expressed in Thousands) |                          |
|----------------------------------------------------------------------------------------|--------------------------|
|                                                                                        | Balance<br>June 30, 2024 |
| Hospital Revenue Bonds and Leases:                                                     |                          |
| Dialysis Clinic, Inc. Project, Series 2000                                             | \$ 5,000                 |
| Lovelace Women's Hospital, Series 2007                                                 | 12,617                   |
| Presbyterian Healthcare Services, Series 2008 A - D                                    | 117,190                  |
| Lovelace Health Systems, Series 2011                                                   | 32,800                   |
| Lovelace Health Systems, Series 2012                                                   | 26,165                   |
| Presbyterian Healthcare Services Series 2015 A                                         | 189,115                  |
| San Juan Regional Medical Center, Series 2017                                          | 6,936                    |
| Presbyterian Healthcare Services, Series 2017 A - B                                    | 302,270                  |
| Haverland Carter Series 2019 A - C                                                     | 89,535                   |
| Presbyterian Healthcare Series 2019 A - C                                              | 304,245                  |
| San Juan Regional Medical Center Series 2020                                           | 29,125                   |
| Haverland Carter Series 2022                                                           | 29,600                   |
| San Juan Regional Medical Center Series 2022                                           | 17,712                   |
| Total                                                                                  | <u>\$ 1,162,310</u>      |

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

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

**I. Other Liabilities**

Compensated Absences

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

Pollution Remediation Obligation

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

The following details the nature of the identified sites:

Leaking Petroleum Storage Tanks (LPST)

The State oversees cleanups of LPST sites and reimburses eligible parties from the PST corrective action fund, which has paid for the vast majority of LPST cleanups. However, for Priority 1 State Lead sites, in which there is an imminent danger to the public health or environment, the State has obligated itself to begin remediation clean-up activities as a result of an unwilling or unable property owner in the amount of \$1.4 million as of June 30, 2024.

Superfund

The Superfund Oversight Section of the State assists the United States Environmental Protection Agency (EPA) in characterization of inactive hazardous waste sites; identifies sites which warrant remedial or removal action under Superfund (CERCLA); and oversees remedial activities and provides management assistance to EPA at Superfund sites listed on the National Priorities List (NPL). There are currently 15 listed Superfund sites in New Mexico which are in various stages of investigation and remediation. One of the 15 listed Superfund sites was placed on the NPL in April 2016. The site is currently in the remedial investigation phase in which no financial obligation exists. The Department estimates it will take at least two or three years before a Record of Decision is issued by the EPA. As of June 30, 2024, this site is excluded from the estimated pollution remediation liability which for Superfund sites totals \$56.9 million.

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

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

**I. Other Liabilities (Continued)**

Superfund (Continued)

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

|                                         | Beginning<br>Balance | Additions       | Deletions         | Ending<br>Balance |
|-----------------------------------------|----------------------|-----------------|-------------------|-------------------|
| Amount Due Within One Year              | \$ 1,183             | \$ 1,559        | \$ (996)          | \$ 1,746          |
| Amount Due in More than One Year        | 52,550               | 5,478           | (1,438)           | 56,590            |
| Total Pollution Remediation Liabilities | <u>\$ 53,733</u>     | <u>\$ 7,037</u> | <u>\$ (2,434)</u> | <u>\$ 58,336</u>  |

Indian Water Rights Liability

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

Each of the agreements involves a contribution from the State of New Mexico in the form of construction of infrastructure. The value of infrastructure and mutual benefits projects contemplated in the three settlements are estimated at more than \$155.5 million as of June 30, 2024. The State will not own the infrastructure once completed; the infrastructure and projects will be owned by tribal and local governments.

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

The State has recognized the estimated liability of \$23.7 million in the financial statements as of June 30, 2024.

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

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

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

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

**I. Other Liabilities (Continued)**

Indian Water Rights Liability (Continued)

A summary of the funds disbursed, and the remaining liability follows (expressed in thousands):

| Indian Water<br>Rights Settlement | Disbursed<br>To Date | Balance,<br>June 30, 2024 |
|-----------------------------------|----------------------|---------------------------|
| Aamodt                            | \$ 86,200            | \$ 18,300                 |
| Taos                              | 14,596               | 5,453                     |
| Navajo                            | 30,949               | -                         |
| Total                             | <u>\$ 131,745</u>    | <u>\$ 23,753</u>          |

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

**J. University of New Mexico**

Standby Purchase Agreements

Standby Purchase Agreements provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees are based on a percentage of the outstanding bond balance, payable semiannually. Liquidity fees for the years ended June 30, 2024 and **2023** were \$26 and \$290, in thousands, respectively. An agreement with US Bank was entered into on December 31, 2014 for a three-year term expiring December 29, 2017. The University negotiated two additional three-year terms with US Bank that ends on October 30, 2023. On September 15, 2023 the Standby Agreement with US Bank was extended through June 1, 2026 for Series 2001 and 2002B bonds, and through September 15, 2026 for Series 2002C bonds.

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

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

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

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

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

Interest Rate Swap Agreements

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

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

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

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

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

Risks

Credit Risk

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

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

Interest Rate Risk

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

Basis Risk

The variable-rate debt hedged by UNM's derivative instruments are variable-rate demand obligation (VRDO) bonds that are remarketed every seven days. The University is exposed to basis risk on its pay-variable (SIFMA), receive-variable (USD Swap Rate) overlay interest rate swaps, because the variable-rate payments received by the University on these derivative instruments are based on a rate USD Swap Rate other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2024, the interest rate on the University's variable-rate hedged debt (SIFMA) is 3.88%, while the 63.55% of five-year USD Swap Rate 4.34% + 0.31% is 3.07%.

Termination Risk

UNM or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, UNM is exposed to termination risk on Derivative Instruments B and C because the contract provides the counterparty with a knockout option to terminate the contract if the 180-day SIFMA is equal to or greater than 7%. The 180-day SIFMA is defined as the weighted average rate taken off the USD floating SIFMA Index Rates published within the previous 180-day period. If at the time of termination, a derivative instrument were in a liability position, UNM would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.



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

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

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

Risks (Continued)

Rollover Risk

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

Foreign Currency Risk

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

Commitments

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

| Rating          | Swap M-T-M Threshold for<br>Party's A & B |    |        |
|-----------------|-------------------------------------------|----|--------|
| AA/Aa2 and >    | USD                                       | \$ | 25,000 |
| AA-/Aa3         | USD                                       |    | 20,000 |
| A+/A1           | USD                                       |    | 15,000 |
| A/A2            | USD                                       |    | 10,000 |
| A-/A3           | USD                                       |    | 5,000  |
| BBB+/Baa1 and < | USD                                       |    | -      |

The collateral to be posted is to be in the form of U.S. Treasury Securities in the amount of the fair value of derivative instruments in liability positions net of the effect of applicable netting arrangements. If UNM or the counterparty does not post collateral, the derivative instrument may be terminated. UNM's credit rating is AA-/Aa3 at June 30, 2024; therefore, no collateral has been posted.

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

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

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

Derivative Instrument Payments and Hedged Debt

As of June 30, 2024, aggregate debt service requirements of UNM's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The hedging derivative instruments column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

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

| Fiscal Year<br>Ending June 30, | Principal        | Interest        | Hedging<br>Derivative<br>Instruments,<br>Net | Total            |
|--------------------------------|------------------|-----------------|----------------------------------------------|------------------|
| 2025                           | \$ 7,770         | \$ 1,020        | \$ 118                                       | \$ 8,908         |
| 2026                           | 9,900            | 649             | 180                                          | 10,729           |
| 2027                           | 2,900            | 329             | 126                                          | 3,355            |
| 2028                           | 3,030            | 259             | 82                                           | 3,371            |
| 2029                           | 3,160            | 174             | 49                                           | 3,383            |
| 2030 - 2034                    | 2,470            | 73              | 24                                           | 2,567            |
| Total                          | <u>\$ 29,230</u> | <u>\$ 2,504</u> | <u>\$ 579</u>                                | <u>\$ 32,313</u> |

Fiscal Year Changes in Swap Valuations

UNM has entered into interest rate swaps as shown in the prior schedule. The swaps were put in place starting in fiscal years 2002 and 2003. The University has recorded the swaps at their estimated fair values as of June 30, 2024. Swaps A through D are deemed cash flow hedges and, therefore, in addition to recording the liability at fair value, the University has recorded an offsetting deferred outflow of resources. Annually, the changes to the fair values are recorded as an increase or decrease to the liability and the offset to the deferred outflow of resources. The fair value change in fiscal year 2024 for the hedge instruments was a \$225 thousand decrease to the liability and an equal offsetting increase to the deferred outflow of resources. Swaps E and F are not cash flow hedges, but rather are considered investment swaps, and changes in their fair value are recorded as investment gain (loss). The fair value change for swaps E and F as of June 30, 2024, was recorded to unrealized loss in the amount of \$271 thousand.

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

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

**K. Notes Payable**

The State has issued notes payable for various purposes, mainly equipment acquisition. Details of notes payable for the fiscal year ended June 30, 2024, follow:

| Note Payable<br>Debt Service Requirements to Maturity<br>(Expressed in Thousands) |                  |                 |                 |
|-----------------------------------------------------------------------------------|------------------|-----------------|-----------------|
| <u>Fiscal Year Ending June 30,</u>                                                | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
| 2025                                                                              | \$ 1,325         | \$ 179          | \$ 1,504        |
| 2026                                                                              | 1,410            | 138             | 1,548           |
| 2027                                                                              | 1,500            | 95              | 1,595           |
| 2028                                                                              | 1,595            | 49              | 1,644           |
| Total                                                                             | <u>\$ 5,830</u>  | <u>\$ 461</u>   | <u>\$ 6,291</u> |

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

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

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

**L. Discretely Presented Component Units**

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

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

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

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

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

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

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

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

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

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

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

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

Annual debt service requirements to maturity are as follows:

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

The borrowings were made to raise capital to help fund the Primero Loan Program, which provides loans for nonprofit, public or tribal agency sponsored affordable

The Authority also has an unused line of credit in the amount of \$2.5 million as of September 30, 2022

Details of the Mortgage Finance Authority Notes Payable follows:

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

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

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

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

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

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

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

**NOTE 9 NET POSITION AND FUND EQUITY**

**A. Governmental Fund Balances**

Fund balances of governmental funds are classified as:

- *Nonspendable* – amounts that cannot be spent because they are not in a spendable form (not expected to be converted to cash) or are legally required to be intact. Examples include inventories and permanent fund principal.
- *Restricted* – amounts where legally enforceable constraints are imposed by an external party such as a grantor, by the State Legislature, or by the constitution at the same time the revenue is created.
- *Committed* – amounts where constraints are imposed by formal action of the government's highest level of decision-making authority, the State Legislature or the Governor, which cannot be used for any other purpose unless the constraint is changed by similar action. These constraints are imposed separately from the creation of the revenue.
- *Assigned* – amounts where constraints are imposed on the use of resources through the intent made by any level of decision-making authority in the government if the governing body has expressly delegated that authority to the official or to a committee.
- *Unassigned* – the residual amount after all classifications have been considered. The General Fund is the only fund that reports a positive unassigned fund balance.

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

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

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

A summary of the nature and purpose of governmental fund balances, by fund type, at June 30, 2024, follows (expressed in thousands):

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



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

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

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

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

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

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

**B. Deficit Net Position/ Fund Equity**

Governmental Activities

There were no deficit overall fund balances to report for the fiscal year ended June 30, 2024.

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

**1. Unemployment Insurance Fund**

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

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

Business-Type Activities, Educational Institutions:

Nonmajor Business-Type Funds

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

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

**Net Position/Fund Balance Adjustments**

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

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

**NOTE 10 RISK MANAGEMENT**

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

- Workers' Compensation
- Civil Rights and Foreign Jurisdiction
- Aircraft
- Money and Securities
- Health and Life
- General Liability
- Automobile
- Property
- Employee Fidelity Bond
- Short-Term and Long-Term Disability

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through Enterprise Funds within the Risk Management Division (RMD) of the General Services Department. The RMD services all claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, employee health and accident, and unemployment compensation. The Department has coverage for general liability and civil rights claims through the Public Liability Fund administered by the State of New Mexico's Risk Management Division. The dollar amount "limits" of the insurance coverage are the damages caps set forth in the Tort Claims Act, NMSA Section 41-4-19, which may be amended from time to time by the legislature. All funds, agencies, and authorities of the State participate in Risk Management. Risk Management allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority based on claims history and exposure of each participant. The charge considers recent trends in actual claims experience of the State as a whole and makes provision for catastrophic losses.

ISF fund liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Total insurance claims payable at June 30, 2024, were \$478 million. The amounts of the liabilities are determined by independent actuarial consultants to the ISF. The total liability is shown in the accompanying financial statements at the present value of the payments, computed at 2% annual rate, between June 30, 2024 and the date the claims are ultimately expected to be paid.

**STATE OF NEW MEXICO**  
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**NOTE 10 RISK MANAGEMENT (CONTINUED)**

Insurance claims payable presented are actuarial computed estimates of the costs of administering, defending, and settling claims for events that had occurred as of the year-end. Since these estimates are based on historical information and various statistical measures, actual amounts paid may vary significantly from the amount estimated by the fund actuaries and reported herein. The basis of estimating the liabilities for unpaid claims is found in the independent actuarial report.

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

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

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

**NOTE 11 PENSION PLANS**

**A. Plan Descriptions**

The State maintains five public employees' retirement systems (Systems): four separate systems are administered by the New Mexico Public Employees' Retirement Association (PERA) and one system is administered by the New Mexico Educational Employees' Retirement Board (ERB).

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

**A. Plan Descriptions (Continued)**

PERA is the administrator of the Public Employees Retirement System (PERS), the Judicial Retirement System (JRS), the Magistrate Retirement System (MRS), and the Volunteer Firefighter Retirement System (VFRS). ERB is the administrator of the Educational Employees Retirement System (EERS). Collectively, the Systems offer an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. The laws governing the administration of the Systems are set forth in Chapter 10, NMSA 1978, and applicable Replacement Pamphlets.

PERA is directed by the Public Employees Retirement Board (Board), which consists of 12 members. Ten of the Board members are elected by PERA active and retired members under state and municipal coverage plans. Two Board members, the Secretary of State and the State Treasurer, are ex-officio members.

PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, 33 Plaza la Prensa, Santa Fe, NM 87507.

ERB is directed by the Educational Retirement Board, composed of seven members. Board members include:

- Secretary of Public Education, who is appointed by the Governor;
- State Treasurer;
- One member elected by the membership of the NM Association of Educational Retirees;
- One member elected by the membership of the National Education Association of New Mexico;
- One member elected by the membership of the American Association of University Professors;
- Two members appointed by the Governor

The ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERB, PO Box 26129, Santa Fe, New Mexico 87502.

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

**A. Plan Descriptions (Continued)**

The number of participating government employers, and the number of members for each system for the year ended June 30, 2024, were (not in thousands):

|                                                       | PERS*      | JRS       | MRS       | VFRS       | EERS       |
|-------------------------------------------------------|------------|-----------|-----------|------------|------------|
| Number of Employers                                   |            |           |           |            |            |
| State Agencies                                        | 122        | 16        | 12        | 363        | 11         |
| Cities, Towns, Villages                               | 98         | -         | -         | -          | -          |
| Counties                                              | 33         | -         | -         | -          | -          |
| Public Schools                                        | -          | -         | -         | -          | 89         |
| Universities and Colleges                             | -          | -         | -         | -          | 16         |
| Special Schools                                       | -          | -         | -         | -          | 4          |
| Charter Schools                                       | -          | -         | -         | -          | 100        |
| Other                                                 | 63         | -         | -         | -          | -          |
| Total                                                 | <u>316</u> | <u>16</u> | <u>12</u> | <u>363</u> | <u>220</u> |
| Retirees and Beneficiaries                            |            |           |           |            |            |
| Receiving Benefits                                    | 44,115     | 204       | 111       | 1,642      | 54,774     |
| Terminated Plan Members<br>not yet Receiving Benefits | 26,846     | 49        | 18        | 316        | 54,756     |
| Active Plan Members                                   | 46,901     | 131       | 62        | 7,711      | 61,503     |

\* Note: PERA Retirement Fund includes the Legislative Fund

**B. Funding and Benefit Policies**

Public Employees Retirement System (PERS)

This plan is a cost-sharing, multiemployer defined benefit pension plan with six divisions of members: State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10-11-3, NMSA 1978.) Except as provided for in the Volunteer Firefighter Retirement Act (Chapters 10-11A-1 to 10-11A-7, NMSA 1978), the Judicial retirement Act (Chapters 10-12B-1 to 10-12B- 19, NMSA 1978), the Magistrate Retirement Act (Chapters 10-12C-1 to 10-12C-18, NMSA 1978), the Educational Retirement Act (Chapter 22-11, NMSA 1978), and the provisions of Chapters 29-4-1 through 29-4-11, NMSA 1978, governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

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

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

Public Employees Retirement System (PERS) (Continued)

Senate Bill 72:

- Increases employer and employee contributions each year by .5% for State General Plan employees for fiscal year 2021, 2022, 2023 and 2024, excludes State Police and Adult Correctional Officer Plan 1 and active members with wages under \$25,000.
- For three fiscal years replaced the current compounding annual 2% COLA with a 2% non-compounding additional payment (13th check) and beginning July 1, 2023, changing to a profit sharing COLA tied to investment performance and PERA's total funded ratio.

Effective July 1, 2019, House Bill 501 increased employer contributions by 0.0025% for funds under the Public Employees Retirement Act.

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for Tier I members (as defined later in these notes). Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of normal retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and nonduty death and disability and for postretirement survivors' annuities are also available. A blended pension benefit is equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan with different pension factors, for service credit earned after July 1, 2013.

**Cost-of-living adjustment (COLA)**

- Eligible retired members will receive a 4% COLA.
- Graduated COLA eligibility period for those who retire:
  - Before June 30, 2014: no change to current two full-calendar years after retirements to receive a COLA;
  - Between July 1, 2014 and June 30, 2015: two full-calendar year eligibility period to receive a COLA;
  - Between July 1, 2015 and June 30, 2016: four full-calendar year eligibility period to receive a COLA; and
  - After July 1, 2016: seven full-calendar year eligibility period to receive a COLA
- No change in one-year COLA eligibility for disability retirees or retirees age 65 or older.

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

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

Public Employees Retirement System (PERS) (Continued)

For Tier II, the retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (applicable to those hired after July 1, 2013 – Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credits equals at least 85, or at 65 with five or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4, and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers, and municipal juvenile detention officers will remain in 25-year retirement plans; however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with five or more years of service credit. Generally, under Tier II, pension factors were reduced by 0.5%. The computation of final average salary increased as the average salary for 60 consecutive months.

Contribution rates for members vary depending on the plan under PERS. Employee contribution rates range from 4.78% to 18.15% of annual salary, and employer rates range from 7.0% to 26.12%. Generally, Tier I regular state members contribute 7.42% to 8.92%, while employers contribute 17.24%.

**CHANGES FOR RETIREES**

**Cost-of-living adjustment (COLA)**

- Reduces the COLA from 3% to 2% except for:
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$20,000.

**CHANGES FOR RE-EMPLOYED RETIREES**

**Cost-of-living adjustment (COLA)**

- Suspends the COLA for grandfathered return-to-work retirees during reemployment with PERA-affiliated employers or retirees employed by entities covered by the Education Retirement Act.



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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

State Legislative Fund

This plan is a defined benefit pension plan which is accounted for in PERS. Eligibility for membership in the State Legislative Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, Section 43 and 43.5, NMSA 1978). State Legislators and lieutenant governors must elect to be a member no later than 180 days after first taking office to be covered under this plan. Member contributions are \$500 for each year of service credit prior to the 2012 legislative session and \$600 for each year beginning with the 2012 legislative session. Legislative service credit is earned each calendar year during which the member fulfills the obligations of the position of the legislator for more than six months of the calendar year, including the legislative session. Legislators are not required to make a member contribution until after the legislative session has ended and after PERA verifies services credit. PERA invoices legislative members to cover member contributions for each legislative session after the session ends, which is normally July or August. State funding for the State Legislative Fund is defined in Sections 10-11-43 and 10-11-43.5, NMSA 1978. The State is required to contribute sufficient amounts to finance the membership of members under State Legislator Coverage Plan 2 on an actuarial reserve basis. The total actuarially determined amount for the State Legislative Fund for the fiscal year ended June 30, 2018 was \$-0-. Regarding the source of funding, Section 7 -1-6.43 of the Tax Administration Act states "A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars (\$200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year." During the State of New Mexico (53<sup>rd</sup> Legislature) in 2017, House Bill 2 was passed that reduced the State's distribution to the legislative retirement fund from \$75,000 a month to \$-0- a month.

Age and service requirements for retirement are age 65 or older with five or more years of service credit or any age with 10 or more years of service credit. Legislative members who meet retirement eligibility requirements receive annual pensions equal in any calendar year to 11% of the per diem rate in effect on the first day of the calendar year that the member retires multiplied by 60 and further multiplied by credited service. The per diem rate starting January 1, 2018 is \$165.

Effective 2019 the annual contribution amount under Legislative Retirement Plan 2 the amount increases to \$1,000 per Senate Bill 307.

Cost-of-living adjustment (COLA) is made to eligible retirees and beneficiaries. Retirees of the Legislative fund receive a COLA yearly after retirement of two full-calendar years (January 1 through December 31) subject to certain conditions. The 2% COLA will be effective July 1 of the following year after the two full-calendar years and will be compounded for each fiscal year thereafter. The COLA for disabled retired members making less than \$20,000 and members that make less than \$20,000 and have 25 years of service credit will be 2.5%.

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

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

Judicial Retirement Fund

This plan is a single employer defined benefit pension plan. Eligibility for membership in the Judicial Retirement Fund is set forth in Chapter 10-12B-4, NMSA 1978. Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Judicial Retirement plan.

For individuals that became a member prior to July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 2005, is determined as 75% of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For individuals that become a member after July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 55 to anyone having served at least 16 years.

For those individuals who became members subsequent to July 1, 2005, the annual pension amount is determined as 75% of salary received during the last year in office prior to retirement multiplied by 5% of the number of years in service, not exceeding 15 years, plus five years or one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of 3.75% times the sum of the number of years of service; provided that a pension calculated shall not exceed 75% of one-twelfth of the salary received during the last year in office.

The retirement age and service credit requirements for normal retirement for judicial members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 33 Substitute in the 2014 Legislative Session. Under the new requirements, judicial members are eligible to retire at age 65 with eight or more years of service or at age 60 with 15 or more years of service credit.

Effective July 1, 2014, judicial membership is mandatory, all judicial pension factors were reduced, employee and employer contributions increased 3% and the computation of final average salary increased as the average of salary for the 60 consecutive months. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded. Suspends the COLA for judges and magistrates if the Funds' funded ratios fall below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years.

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

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

Judicial Retirement Fund (Continued)

Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. Members contribute at a rate of 10.5% of their salaries and the member's court contributes at a rate of 15% of the member's salary. Additionally, the district court contributes \$38 for each civil case docket fee paid in the district court, \$25 from each civil docket fee paid in metropolitan court, and \$10 (not in thousands) for each jury fee paid in metropolitan court. Contribution rates are established by State statute. Various other changes took place under House Bill 33 which amended the Judicial Retirement Act. Senate Bill 122, which is effective from 2021 until fiscal year 2026 the Judicial Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

Magistrate Retirement Fund

This plan is a single employer defined benefit pension plan. Eligibility for membership in the Magistrate Retirement Fund is set forth in Chapter 10-12C-4, NMSA 1978. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Magistrate Retirement plan. Every magistrate becomes a member in the Magistrate Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Benefits are available at age 64 or older to any member having served as a magistrate for a minimum of five years. Retirement is available at age 60 to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The annual pension amount is determined by multiplying 75.0% of the salary received during the last year in office prior to retirement by 5.0% of the number of years of service, not exceeding 15 years, plus five years.

The retirement age and service credit requirements for normal retirement for magistrate members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 216 Substitute in the 2014 Legislative Session. Under the new requirements, magistrates are eligible to retire at age 65 with eight or more years of service, at age 60 with 15 or more years of service credit or at any age with 24 years of service credit.

Effective July 1, 2014, membership is mandatory, all magistrate pension factors were reduced, employee contributions increased 3%, and the computation of final average salary increased as the average of salary for the 60 consecutive months prior to retirement. Employer contributions increased by 4% effective July 1, 2015. In addition, cost-of-living increases were suspended for two consecutive fiscal years, and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 PENSION PLANS (CONTINUED)**

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

Magistrate Retirement Fund (Continued)

Member contributions are based on 10.5% of salaries and the State, through the administrative office of the courts, contributes at a rate of 11% of the member's salary. Beginning July 1, 2015, the employer contributions increased to 15% of the member's salary. Additionally, the magistrate or metropolitan courts contribute \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid in magistrate court. Contribution rates are established by State statute. Certain other changes took place under House Bill 216 and amended the Magistrate Retirement Act. Senate Bill 122, which is effective from 2021 until fiscal year 2026 the Magistrate Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

Volunteer Firefighters Retirement Fund

This plan is a single employer defined benefit pension plan with a special funding situation. Eligibility for membership in the Volunteer Firefighters Retirement Fund is set forth in Chapter 10-11A-2, NMSA 1978. Any volunteer non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements set forth in the statute is eligible for membership in the Volunteer Firefighters Retirement Fund. Benefits are available at age 55 or older to any member having served as a volunteer firefighter for a minimum of 10 years. Benefits are \$125 per month, as of July 1, 2013, with at least 10 but less than 25 years of service or \$250 per month with 25 or more years of service. Benefits for postretirement surviving spouse annuities are also available. Members of the Volunteer Firefighters Retirement Fund do not make individual contributions to the plan. State statutes require that the State Treasurer transfer \$750,000 during the fiscal year from the Fire Protection Fund to the Volunteer Firefighters Retirement Fund.

Educational Employees' Retirement System (EERS)

The New Mexico Educational Retirement Board (ERB) was created by the Educational Retirement Act, Chapters 22-11-1 to 22-11-52, NMSA 1978, as amended, to administer and have the responsibility for operating the Educational Employees' Retirement Plan. ERB is an agency of the State. The plan administered by ERB is considered part of the State financial reporting entity and is a pension trust fund of the state.

This plan is a cost-sharing, multiemployer pension plan established by statute and administered by ERB to provide retirement, disability, and death benefits for all certified teachers and other employees of the State's elementary, secondary, and higher educational institutions, junior colleges, and technical-vocational institutions. Employees who are employed more than 25% of a full-time equivalency are required to be members of the Plan, unless specifically excluded.

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

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

Educational Employees' Retirement System (EERS) (Continued)

Plan members whose annual salary is \$24,000 or less are required by statute to contribute 7.9% of their gross salary. For plan members whose annual salary is over \$24,000, they are required to contribute 10.7% of their gross salary to the plan in fiscal year 2021 and thereafter. Employers are required to contribute 14.15% of gross covered salaries in fiscal year 2020 and thereafter. The statutory contribution requirements can be changed by the State Legislature.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least 65 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55 and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits.
- The member's age is 67 and has earned five or more years of service credit.

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

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

Educational Employees' Retirement System (EERS) (Continued)

Section 2-11-23.3, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2019. These members must meet one of the following requirements:

- The member is any age and has 30 years of earned service credit.
- The member is at least 67 years of age and has five or more years of earned service credit.
- The sum of members' age and years of earned service credit equals at least 80.

*Forms of Payment* - The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump-sum to the member's surviving beneficiary.

*Benefit Options* - There are three benefit options available:

Option A – Straight Life Benefit. The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.

Option B – Joint 100% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

Option C – Joint 50% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Educational Employees' Retirement System (EERS) (Continued)

*Cost-of-Living Adjustment (COLA)* – All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3 and Tier 4):

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013, but prior to July 1, 2019
- Tier 4 membership is comprised of employees who became members on or after July 1, 2019

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

Disability Benefit

*Eligibility* - A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by the Board.

*Monthly Benefit* - The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times years of service projected to age 60.

*Form of Payment* - The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump-sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Educational Employees' Retirement System (EERS) (Continued)

Disability Benefit (Continued)

*Refund of Contributions* - Members may withdraw their contributions only when they terminate covered employment in the State and certification of termination has been provided by their former employers. Interest paid to members when they withdraw their contributions following termination of employment is at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or contributions held for less than one year.

*Alternative Retirement Plan* - Effective October 1991, the New Mexico legislature established an Alternative Retirement Plan (ARP) through the enactment of ERA Sections 22-11-47 through 52 NMSA 1978 to provide eligible employees an election to establish an alternative retirement investment plan. In contrast to the defined benefit plan administered by NMERB, the ARP is a defined contribution plan. NMERB is the trustee of the ARP which is administered by two third party contractors for NMERB. The administrators approved to offer ARP plans to eligible participants are Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA- CREF), and Fidelity Investments.

These administrators have the authority to perform record keeping, enrollment education services, and other administrative duties for the ARP. The administrators are delegated any and all powers as may be necessary or advisable to discharge their duties under the ARP and have certain discretionary authority to decide matters under the ARP. As the ARP trustee NMERB is responsible for selecting investment options that provide a prudent rate of return, and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.



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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

The total pension liability, net pension liability, and certain sensitivity information presented on the next page are based on an actuarial valuation performed as of June 30, 2023. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2024. The net pension liability of each plan as of June 30, 2024, is as follows:

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

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

|                            | PERS                     | JRS                        | MRS                            | VFRS                     | EERS                                                                                                 |
|----------------------------|--------------------------|----------------------------|--------------------------------|--------------------------|------------------------------------------------------------------------------------------------------|
| Valuation Date             | June 30, 2023            | June 30, 2023              | June 30, 2023                  | June 30, 2023            | June 30, 2023                                                                                        |
| Actuarial Cost Method      | Entry Age Normal         | Entry Age Normal           | Entry Age Normal               | Entry Age Normal         | Entry Age Normal                                                                                     |
| Amortization Method        | Level Percent of Pay     | Level Percent of Pay, Open | Level Percent of Payroll, Open | Level Dollar, Open       | Closed 30-Year Period, Amortization, Level Percent of Payroll Closed 30 Years 5-Year Smoothed Market |
| Amortization Period        | 25 Years                 | 25 Years                   | 25 Years                       | 25 Years                 |                                                                                                      |
| Asset Valuation Method     |                          |                            |                                |                          |                                                                                                      |
| Actuarial Assumptions:     |                          |                            |                                |                          |                                                                                                      |
| Investment Rate of Return  | 7.25%                    | 7.25%                      | 7.25%                          | 7.25%                    | 7%                                                                                                   |
| Payroll Growth             | 3.00%                    | 3.00%                      | 3.00%                          | N/A                      | -                                                                                                    |
| Projected Salary Increases | 3.25%-13.50%             | 3.25 %                     | 3.25 %                         | N/A                      | 2.30% Inflation, plus .70% Prod, Inc.                                                                |
| Includes Inflation At      | 2.50%                    | 2.50%                      | 2.50%                          | 2.50%                    | 2.30 %                                                                                               |
| Mortality Assumption       | PUB-2010 Mortality Table | PUB-2010 Mortality Table   | PUB-2010 Mortality Table       | PUB-2010 Mortality Table | 2020 GRS Southwest Region Teacher Mortality Table                                                    |
| Discount Rate              | 7.25 %                   | 5.54 %                     | 5.84 %                         | 7.25 %                   | 7.00 %                                                                                               |
| Municipal Bond Rate        | -                        | 3.97 %                     | 3.97 %                         | -                        | -                                                                                                    |

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

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

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

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

PERA Asset Allocations

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

| Public Employees Retirement Association<br>All Systems |                      |                                            |
|--------------------------------------------------------|----------------------|--------------------------------------------|
| Asset Class                                            | Target<br>Allocation | Long-Term<br>Expected<br>Rate of<br>Return |
| Global Equity                                          | 46.00 %              | 3.90 %                                     |
| Core Fixed Income                                      | 13.00                | 2.20                                       |
| Credit                                                 | 17.00                | 2.30                                       |
| Absolute Return                                        | 6.00                 | 2.60                                       |
| Real Assets                                            | 18.00                | 5.90                                       |
| Total                                                  | 100.00 %             |                                            |

ERB Asset Allocations

ERB's investment allocation policy is periodically reviewed and amended by the Board of Trustees, as needed. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocations as well as the policy adopted on December 2022:

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

ERB Asset Allocations

Schedule of Asset Allocation Versus Policy Targets

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

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

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Rate of Return

Disclosure of the annual money-weighted return is a requirement of GASB 67. It incorporates both the size and timing of cash flows to determine an internal rate of return and expresses investment performance adjusted for the changing amounts actually invested. The requirements of the calculation are listed below.

- The rate is computed net of investment expenses, but not net of administrative expenses.
- External cash flows used as inputs should be determined on at least a monthly basis.
- Cash flows should be determined on an accrual basis of accounting.
- Cash-flow weighting should be representative of the Plan's actual external cash flow timing.

For the year ended June 30, 2024, the annual money-weighted rate of return on the PERA pension plan investments net of investment expense was 8.049%. For the ERB pension plan, it was 8.649%.

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

State – Funded Divisions of PERA

For the fiscal year ended June 30, 2024, the State Funded Divisions of PERA were composed of State General, State Police, and Legislative. The measurement date used by the State was June 30, 2023.

**1. Contributions**

As stated earlier in this note, the contribution requirements of the plan members and the State are established in the state statute. Statutorily required contributions from the State to the State funded divisions of the pension plan were \$290 million for the fiscal year ended June 30, 2024.

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

The State-Funded Divisions of PERA reported net pension liabilities as follows (expressed in thousands):

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

State – Funded Divisions of PERA (Continued)

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

The net pension liability is further segregated in the following amounts in governmental and business-types (expressed in thousands):

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

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

Single-Employer Funds

The State contributes 100% of the contributions to three single-employer funds in the PERA System. They are the Judicial, Magistrate, and Volunteer Firefighters Retirement Funds. The measurement date used by the State was June 30, 2023 (expressed in thousands).

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

**1. Contributions**

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Single-Employer Funds (Continued)

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

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

The Volunteer Firefighters Retirement Fund reported a plan net asset of \$28.2 million. Therefore, in accordance with accounting guidance, the positive net position is reported as a net pension asset in the financial statements. Pension income was \$1.2 million.

At June 30, 2024, these plans reported deferred outflow of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

|                                                                                  | Governmental                   |                               | Business-Type                  |                               |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                                                  | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| PERA - State-Funded and Single-Employer Funds (Judicial and Magistrates Funds)   |                                |                               |                                |                               |
| Differences Between Expected and Actual Experiences                              | \$ 95,602                      | \$ (87,510)                   | \$ 1,694                       | \$ (1,874)                    |
| Changes of Assumptions                                                           | 11,771                         | (2,332)                       | -                              | -                             |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 262,192                        | -                             | 5,151                          | -                             |
| State Contributions Subsequent to Measurement Date                               | 293,567                        | -                             | 5,774                          | -                             |
| Total                                                                            | <u>\$ 663,132</u>              | <u>\$ (89,842)</u>            | <u>\$ 12,619</u>               | <u>\$ (1,874)</u>             |

The amounts of \$294 million for governmental activities and \$6 million for business-type activities, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2023, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Single-Employer Funds (Continued)

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

The deferred outflows and inflows of resources are presented separately for the Volunteer Firefighter's Fund because this fund reports a positive net position (expressed in thousands).

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

The amount of \$.75 million, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2023, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

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

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

**1. Contributions**

As stated earlier in this note, the contribution requirements of ERB plan members and the State are established in state statute. Contributions for the fiscal year ended June 30, 2024, from the State to the ERB were \$1.7 million for governmental activities and \$199 million from the 12 educational institutions reported as business-type activities.



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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2022. Therefore, the employer's portion was established as of the measurement date June 30, 2023. On June 30, 2024, the State reported a liability of \$20 million for its proportionate share of the net pension liability covering state employees in governmental activities, and \$2.2 billion for the collective proportionate share of the 12 educational institutions reported as business-type activities. At June 30, 2023, the proportion was .2323% for governmental activities and 25.6251% for business-type activities. The State's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2023. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

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

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

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

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

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

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

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

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

**F. Discount Rates and Sensitivity Analysis**

**Discount Rate for the PERA, Volunteer Firefighter, Magistrate and Judicial Funds**

Previously, a select and ultimate rate of return assumption had been adopted for funding purposes, but new economic assumptions were adopted for the June 30, 2023 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table provides the sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. In particular, the tables present the State's net pension liability as if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

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

**ERB**

A single discount rate of 7.00% was used to measure the Total Pension Liability as of June 30, 2023. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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**NOTE 11 PENSION PLANS (CONTINUED)**

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

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table provides the sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. In particular, the tables present the State's net pension liability as if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

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

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. Plan Description**

In addition to pension benefits as described in Note 11, the State provides other postemployment benefits (OPEB). The following is in accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

**A. Plan Description (Continued)**

The New Mexico Retiree Health Care Authority (RHCA) was formed February 13, 1990 under the New Mexico Retiree Health Care Act (the Act), Chapters 10-7C-1 to 10-7C-19, NMSA 1978, to administer the retiree health care fund which was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents, and surviving spouses) who have retired or will retire from public service in New Mexico. The Retiree Health Care Act established a cost-sharing, multiemployer defined benefit postemployment health care plan (the Plan) that provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Act created a governing board composed of 11 members (a 12<sup>th</sup> member was added through an amendment). RHCA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to RHCA, 6300 Jefferson Street NE, Suite 150, Albuquerque, NM 87109.

The legislation establishing RHCA specifically did not intend to create formal trust relationships among the participating employees, retirees, employers, and RHCA administering the Act. However, the substantive plan created by the Act contains all requisite elements to be considered as the equivalent of a trust arrangement. These elements include irrevocable contributions to the Plan, plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the Plan, and plan assets are legally protected from creditors of employers or the Plan administrator. Additionally, there is no provision for a participating government entity to withdraw membership, and all risks and costs including benefit costs are shared and are not attributed individually to employers, and a single contribution rate applies to employers. RHCA received a legal opinion that the manner of legal organization of RHCA is substantially equivalent to a trust. As such, RHCA was required to apply GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, which was implemented by the State effective for fiscal year ending June 30, 2018. The net position of the RHCA is reported as restricted per GASB Statement No. 46 and Chapter 10-7-C-14, NMSA 1978.

Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority, and state agencies, state courts, magistrate courts, municipalities, or counties, which are affiliated under or covered by the Educational Retirement Act, the Magistrate Retirement Act, or the Public Employees Retirement Act.

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

**A. Plan Description (Continued)**

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

**B. Single Employer Postemployment Plans**

Plan Description for UNM

**1. Plan Description**

The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) administers the University of New Mexico Retiree Welfare Benefit Plan (VEBA Plan) – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the University. The University is the fiduciary of the VEBA Trust, and the VEBA Trust's financial statements and required supplementary information are included in the University's financial report.

Management of the VEBA Plan is vested in the VEBA Trust's VEBA Committee, which consists of nine members:

- UNM Controller or Designee
- UNM Vice President of Human Resources or Designee
- Two Faculty Appointees (appointed by the UNM President)
- Two Staff Appointees (appointed by the UNM President)
- Member of the Debt Investment Advisory Committee (ex-officio, appointed by the UNM President)
- Two UNM Presidential Appointees

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

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

Plan Description for UNM (Continued)

**2. Plan Membership**

In order for a retiree of the University to be eligible for OPEB other than basic life insurance, the employee must have been hired prior to July 1, 2015 and contribute to the VEBA Trust for at least five continuous years immediately prior to retirement. If hired prior to July 1, 2013 and retiring prior to July 1, 2018, employees must continually contribute to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. Employees hired on or after July 1, 2015 are not eligible for OPEB other than basic life insurance. Contributions to the VEBA Trust are not required for the basic life insurance benefit since these benefits are not funded through the VEBA Trust.

At the valuation date of January 1, 2023 the VEBA Plan membership consisted of the following:

- Inactive plan members or beneficiaries currently receiving benefit payments 3,658, active plan members 7,417, and total plan members 11,075.
- Total active plan members include 4,333 members hired on or after July 1, 2015 who are not eligible to receive postretirement health benefits but may be eligible to receive postretirement life insurance benefits.

Plan Description for New Mexico State University

**1. Plan Description**

New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. This is an unfunded OPEB plan operating on a pay-as-you-go basis. The authority to establish and amend the benefit provisions rests with the Board of Regents. Retirees, who have had 10 consecutive years of health insurance coverage with the University at the time of retirement, are offered the opportunity to participate in a fully insured PPO medical plan, including prescription drugs. Medicare retirees (for retirees 65 years of age and over) are offered the opportunity to participate in a Medicare carve-out medical plan, including prescription drugs. Eligible retired employees may select a Life Insurance benefit up to \$10,000. All premiums for life insurance are paid by the retiree. The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents until the retiree reaches age 70, at which time the University reduces their contribution to 30%. As of June 30, 2024, 1,298 retirees met the eligibility requirements for health insurance. Employees hired after June 30, 2016 are not offered this benefit.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

Plan Description for New Mexico State University (Continued)

**2. Plan Participation Percentage**

The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 85% of all pre-Medicare employees and their dependents who are eligible for early retirement will participate in the retiree medical plan. It is also assumed that 80% of those enrolled in the pre-Medicare plans will continue on the plan once Medicare eligible. Lastly, it is assumed that 88% of all pre-Medicare employees who are eligible for the retiree life insurance benefit will participate, and 91% of those enrolled will continue on the plan once Medicare eligible. This assumes that a one-time irrevocable election to participate is made at retirement. Employees covered by benefit terms - At June 30, 2024, the following employees were covered by the benefit terms: Current retirees receiving benefits – 1,709 and current active members – 1,383.

Plan Description for NM Institute of Mining and Technology

**1. Plan Description**

The Board of Regents authorized the creation of the New Mexico Tech Employee Benefit Trust (Trust or Plan), a contributory benefit plan, to operate, control, and maintain a program to provide certain health and life insurance benefits to the employees of the Institute and their families. Retired employees may participate in the Plan. The Plan is considered a postemployment benefit plan as defined by GASB 74, *Financial Reporting for Postemployment Benefit Other than Pension Plans* which was implemented for June 30, 2020. The Trust is recorded as a fiduciary fund in the accompanying financial statements and as a blended component unit. The Board of Regents serves as trustee and has delegated the day-to-day operations of the Trust to the executive staff of the Institute. The Trustees and Institutes management have designated a third-party administrator to process the claims submitted by covered participants.

Effective January 1, 2019, the Institute is no longer using the Trust, a contributory benefit plan, to operate, control, and maintain a program to provide the health insurance benefits to the employees of the Institute and their families. The Board of Regents made a resolution approving an agreement for participating with New Mexico Public School Insurance Authority (NMPSIA), for employee health benefits for its employees, retirees, and their families. The Trust will continue to operate, control, and maintain the life insurance and flexible benefits to the employees of the Institute and their families. The Trust issues standalone audited financial statements that can be obtained by request or via the Office of the State Auditor's website at <https://www.osa.nm.gov/>.



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

**C. Funding and Benefit Policies**

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years. Employees of RHCA are allowed to participate in the Plan.

The New Mexico Retiree Health Care Act (Chapter 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of \$5 (not in thousands) if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from NMRHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

Contribution

The New Mexico Retiree Health Care Act (Chapter 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The contributions are set by legislation and are not based on an actuarial calculation. The Legislature periodically reviews the contribution rates pursuant to Chapter 10-7C-15, NMSA 1978.

For the fiscal year ended June 30, 2024, for regular state employees, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary.

For employees who were members of an enhanced retirement plan (state police, adult correctional officers, firefighters, and judges) during the fiscal year ended June 30, 2024, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their salary.

Current retirees are required to make monthly contributions for individual basic medical coverage. Retiree premium contribution increases are no longer limited by the Act, which the RHCA health care trend's will be the basis for any rate increases for the New Mexico basic plan of benefits. The Board may designate other plans as "optional coverages." Optional and/or voluntary coverages are not subject to the 9% cap, which expired in fiscal year 2008 per Chapter 10-7C-13, NMSA 1978.

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**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, 2024**

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

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

NMSU

**1. Funding Policy**

The University does not use a trust fund to administer the financing and payment of benefits. The retired employees that elect to participate in postemployment benefits are required to make contributions in the form of monthly premiums based on current rates established under the medical and life plans. The University funds the plan on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits, and includes all expected claims and related expenses and is offset by retiree contributions. The pay-as-you-go expenses for fiscal year 2024 were \$4.1 million, net of retiree contributions.

NMIMT

**1. Benefits Provided**

Retirees are offered \$10,000 of retiree basic life insurance. In addition, the Trust is used to pay premiums for life insurance coverage on eligible participants and to administer the Flexible Benefits Plan (the Flex Plan). The Flex Plan, which is fully funded by employees, provides reimbursement of certain employee health and dependent care expenses. The Trust also holds Employee Assistance Plan (EAP) and Commuter Benefits Holding funds.

**2. Contributions**

The Trust is funded by contributions from both the Institute and employees of the Institute. Flex Plan contributions consist of employee-only contributions and are based on amounts elected by the employees up to specified limits, and are withheld from employee pay. All other contributions, including employee and employer contributions, are based on amounts determined by the Trust Committee as necessary to cover the expenses of the Trust. Contributions are funded on a monthly basis.

**E. Funded Status**

Investments and Fair Value Measurements

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used as of June 30, 2024.

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

**E. Funded Status (Continued)**

Investments and Fair Value Measurements (Continued)

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

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

| Investments Measured at<br>NAV Practical Expedient | Fair<br>Value<br>June 30, 2024 | Redemption<br>Frequency | Redemption<br>Notice Period |
|----------------------------------------------------|--------------------------------|-------------------------|-----------------------------|
| U.S. Large Cap Index Pool                          | \$ 278,987                     | 4 Times Per Year        | 3 Months                    |
| Non U.S. Emerging Markets Index Pool               | 120,677                        | Daily                   | 5 Business Days             |
| Non U.S. Developed Markets Index Pool              | 199,771                        | 4 Times Per Year        | 3 Months                    |
| Private Equity Pool                                | 210,578                        | 4 Times Per Year        | 3 Months                    |
| Private Debt Market Pool                           | 226,315                        | Daily                   | 5 Business Days             |
| Real Estate Pool                                   | 134,576                        | 4 Times Per Year        | 3 Months                    |
| U.S. Small/Mid Cap Active Pool                     | 31,131                         | Daily                   | 5 Business Days             |
| Real Return Pool                                   | 76,743                         | 4 Times Per Year        | 3 Months                    |
| Core Bond Pool                                     | 234,424                        | Daily                   | 5 Business Days             |
| Total                                              | <u>\$ 1,513,202</u>            |                         |                             |

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

RHCA Asset Allocations

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

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

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

**E. Funded Status (Continued)**

RHCA Asset Allocations (Continued)

The actuarial methods and assumptions for the Plan at June 30, 2024, were as follows:

|                             |                                                                                                                                                     |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date              | June 30, 2023                                                                                                                                       |
| Actuarial Cost Method       | Entry age normal, level of percent of pay, calculated on individual employee basis                                                                  |
| Asset Valuation Method      | Market value of assets                                                                                                                              |
| Actuarial Assumptions:      |                                                                                                                                                     |
| Inflation                   | 2.30% for ERB; 2.50% for PERA                                                                                                                       |
| Projected payroll increases | 3.00% to 13.00% based on years of service, including inflation                                                                                      |
| Investment rate of return   | 7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation                                                     |
| Discount rate               | 7.00%                                                                                                                                               |
| Health Care Cost Trend Rate | 8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 8.5% graded down to 4.5% over 12 years for Medicare medical plan costs |

Schedule of Annual Money-Weighted  
Rate of Return

| Year Ended<br>June 30, | Annual Money-<br>Weighted Rate<br>of Return |
|------------------------|---------------------------------------------|
| <u>2024</u>            | <u>11.47 %</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, 2024:

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

**E. Funded Status (Continued)**

Actuarial Assumptions (Continued)

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

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

| Asset Class                   | Long-Term<br>Rate of Return |
|-------------------------------|-----------------------------|
| U.S. Core Fixed Income        | 1.6 %                       |
| U.S. Equity - Large Cap       | 6.9                         |
| Non U.S. - Emerging Markets   | 8.7                         |
| Non U.S. - Developed Equities | 7.2                         |
| Private Equity                | 9.9                         |
| Credit and Structured Finance | 3.7                         |
| Real Estate                   | 3.6                         |
| Absolute Return               | 3.2                         |
| U.S. Equity - Small/Mid Cap   | 6.9                         |

**F. Net OPEB Liability**

Net OPEB Liability

The net OPEB liability and the plan's actuarial valuation were calculated by the Authority's independent actuary as of June 30, 2024. The plan's valuation and measurement of the total OPEB liability and related net OPEB liability were performed in accordance with GASB 74 requirements at the request of the Authority.

The discount rate used to measure the total OPEB liability is 7% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates.

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

**F. Net OPEB Liability (Continued)**

Net OPEB Liability (Continued)

For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2070. Thus, the 7% assumed investment return on Plan assets, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability.

The following presents the net OPEB liability, calculated using the discount rate of 6.22%, as well as what the Fund's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

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

The following presents the net OPEB liability calculated using the current healthcare cost trend rates as well as what Fund's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

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

The total OPEB liability, net OPEB liability, and certain sensitivity information presented are based on an actuarial valuation performed as of June 30, 2023. The total OPEB liability was rolled forward from the valuation date to the plan year ending June 30, 2024. The component of net OPEB liability as of June 30, 2024, is as follows:

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

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

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

**G. Employer Reporting Net OPEB Liability – RHCA**

Contributions

As stated earlier in this note, the contribution requirements of RHCA plan members and the State are established in state statute. Statutorily required contributions for the fiscal year ended June 30, 2024, from the State to the RHCA were \$30.2 million for governmental activities and \$3.7 million for business-type activities.

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

The total RHCA OPEB liability, net OPEB liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2021. Therefore, the employer's portion was established as of the measurement date June 30, 2022. At June 30, 2024, the State reported a liability of \$400 million for its proportionate share of the net OPEB liability covering state employees in governmental activities, and \$72 million for its proportionate share of the net OPEB liability covering state employees business-type activities. At June 30, 2023, the proportion was 23.88% for governmental activities and 2.75% for business-type activities. The State's proportion of the net OPEB liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2023.

For the year ended June 30, 2024, the State recognized a reduction to OPEB expense of \$118 million in governmental activities and a reduction to OPEB expense of \$14.8 million in business-type activities.

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

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

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



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

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**G. Employer Reporting Net OPEB Liability – RHCA (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

| Governmental                |               | Business-Type               |               |
|-----------------------------|---------------|-----------------------------|---------------|
| <u>Year Ending June 30,</u> | <u>Amount</u> | <u>Year Ending June 30,</u> | <u>Amount</u> |
| 2025                        | \$ (105,867)  | 2025                        | \$ (14,574)   |
| 2026                        | (74,924)      | 2026                        | (9,778)       |
| 2027                        | (97,614)      | 2027                        | (12,316)      |
| 2028                        | (67,052)      | 2028                        | (8,487)       |
| 2029                        | (21,664)      | 2029                        | (3,367)       |
| Thereafter                  | -             | Thereafter                  | -             |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net State's Proportionate Share of the OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.42%) or 1-percentage-point higher (6.42%) than the current discount rate:

Employer Reporting  
Sensitivity of the Net Pension Liability to  
Changes in the Discount Rate  
*(Expressed in Thousands)*

| <u>Net OPEB Liability</u> | <u>1%<br/>Decrease<br/>(6.00%)</u> | <u>Current<br/>Discount Rate<br/>(7.00%)</u> | <u>1%<br/>Increase<br/>(8.00%)</u> |
|---------------------------|------------------------------------|----------------------------------------------|------------------------------------|
| Governmental Activities   | \$ 503,847                         | \$ 399,639                                   | \$ 315,170                         |
| Business-Type Activities  | 63,629                             | 50,469                                       | 39,802                             |
| Total Primary             |                                    |                                              |                                    |
| Government - RHCA         | <u>\$ 567,476</u>                  | <u>\$ 450,108</u>                            | <u>\$ 354,972</u>                  |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**G. Employer Reporting Net OPEB Liability – RHCA (Continued)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate (Continued)

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| Employer Reporting<br>Sensitivity of the Net Pension Liability to<br>Changes in the Trend Rate<br>(Expressed in Thousands) |                   |                   |                   |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Net OPEB Liability                                                                                                         | 1%<br>Decrease    | Current<br>Rate   | 1%<br>Increase    |
| Governmental Activities                                                                                                    | \$ 330,861        | \$ 399,639        | \$ 478,630        |
| Business-Type Activities                                                                                                   | 41,783            | 50,469            | 60,445            |
| Total Primary<br>Government - RHCA                                                                                         | <u>\$ 372,644</u> | <u>\$ 450,108</u> | <u>\$ 539,075</u> |

**H. Single Employer Plans**

**1. UNM**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The University's net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, but adjusted for a change in the discount rate. The components of the net OPEB liability of the University at June 30, 2024 was as follows (expressed in thousands):

|                                                                           | June 30, 2024     |
|---------------------------------------------------------------------------|-------------------|
| Total OPEB Liability                                                      | \$ 189,655        |
| Plan Fiduciary Net Position                                               | (61,424)          |
| University's Net OPEB Liability                                           | <u>\$ 128,231</u> |
| Plan Fiduciary Net Pension as a Percentage<br>of the Total OPEB Liability | 32.39%            |

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**1. UNM (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |                                                                                                                                                                                              |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                    | 3.0%                                                                                                                                                                                         |
| Salary Increases             | 2.0%                                                                                                                                                                                         |
| Investment Rate of Return    | 8.0%, net of OPEB plan investment expense, including inflation                                                                                                                               |
| Health Care Cost Trend Rates | Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years 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, 2024 was 5.85%.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**1. UNM (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the University's net OPEB liability at June 30, 2024, which was measured using the discount rate of 6.9%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current discount rate (expressed in thousands).

|                    | 1% Decrease<br>(4.85%) | Current<br>Discount Rate<br>(5.85%) | 1% Increase<br>(6.85%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 153,314             | \$ 128,231                          | \$ 107,439             |

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the University's net OPEB liability at June 30, 2021, which was measured using the current healthcare cost trend rates (Pre-Medicare: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, Dental: 4%), as well as what the net OPEB liability would have been if it were calculated using healthcare cost trend rates that were one percentage point lower (Pre-Medicare: 6.8% decreasing to 4%, Post-Medicare: 7.25% decreasing to 3.25%, Dental: 3%) or one percentage point higher (Pre-Medicare: 8.8% decreasing to 5.5%, Post-Medicare: 8.8% decreasing to 5.5%, Dental: 5%) than the current healthcare cost trend rates (expressed in thousands).

|                    | 1% Decrease | Current<br>Discount | 1% Increase |
|--------------------|-------------|---------------------|-------------|
| Net OPEB Liability | \$ 107,517  | \$ 128,231          | \$ 153,282  |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2024, the University recognized OPEB expense of \$6.9 million. At June 30, 2024 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**1. UNM (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)*

|                                                                               | Year Ended June 30, 2024<br>(in Thousands) |                                     |
|-------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------|
|                                                                               | Deferred<br>Outflows of<br>Resources       | Deferred<br>Inflows of<br>Resources |
| Differences Between Expected and Actual Experience                            | \$ 11,044                                  | \$ (25,614)                         |
| Changes of Assumptions                                                        | 32,982                                     | (4,598)                             |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | 5,690                                      | -                                   |
| Contributions Subsequent to the Measurement Date                              | 7,333                                      | -                                   |
| Total                                                                         | <u>\$ 57,049</u>                           | <u>\$ (30,212)</u>                  |

The \$7.3 million reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2024 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

| <u>Year Ending June 30,</u> | <u>Amount</u>    |
|-----------------------------|------------------|
| 2025                        | \$ 2,552         |
| 2026                        | 6,685            |
| 2027                        | 7,714            |
| 2028                        | 1,179            |
| 2029                        | 1,374            |
| Thereafter                  | -                |
| Total                       | <u>\$ 19,504</u> |

**2. NMSU**

The University's annual other postemployment benefit (OPEB) Service/Interest cost (expense) is the portion of the Actuarial Present Value of plan benefits and expenses for active employees which is allocated to a valuation year by the Actuarial Cost Method. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation related for fiscal year 2024:

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**2. NMSU (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

|                                                            | Total OPEB<br>Liability |
|------------------------------------------------------------|-------------------------|
| Total OPEB Liability - Beginning of Year<br>(July 1, 2023) | \$ 130,659              |
| Changes for the Year:                                      |                         |
| Service Cost                                               | 4,104                   |
| Interest Cost                                              | 4,827                   |
| Differences Between Expected and Actual<br>Experience      | (5,184)                 |
| Changes in Assumptions or Other Inputs                     | 10288                   |
| Benefit Payments                                           | (5,032)                 |
| Net Changes                                                | 9,003                   |
| Net OPEB Liability - End of Year (June 30,2024)            | \$ 139,662              |

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Entry Age Normal Actuarial Cost Method was used based on level percentage of projected salary. The OPEB liability is based on an actuarial valuation performed as of June 30, 2024, conducted in accordance with generally accepted actuarial principles.

The actuarial methods and assumptions used to determine the total OPEB liability included in the measurement are as follows:

|                      |                                                                                      |
|----------------------|--------------------------------------------------------------------------------------|
| Valuation Date       | June 30, 2024                                                                        |
| Measurement Date     | June 30, 2024                                                                        |
| Discount Rate        | 3.93% per annum (EOY)<br>Source: Bond Buyer 20-Bond GO Index                         |
| Salary Increase Rate | 2.5% per annum                                                                       |
| Medicare Eligibility | All current and future retirees are assumed<br>to be eligible for Medicare at age 65 |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**2. NMSU (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Actuarial Methods and Assumptions (Continued)*

|                            |                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Healthcare Cost Trend Rate | The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis. Medical and prescription benefits on a select basis at 7.75% for retirees 65 years of age and under and 6.75% for retirees over 65 years of age and on an ultimate basis at 4.00%. The select trend rates are reduced 0.30% each year until reaching the ultimate trend. |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                              |                                                                                                                                                                                                                                            |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Per Capita Health Claim Cost | Expected pre-Medicare retiree claim costs were developed by applying age adjustments to the current fully insured premiums. The annual age 60 claim costs retirees and their spouses is \$9,456. The age 70 costs for retirees is \$3,336. |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                |                                                           |
|----------------|-----------------------------------------------------------|
| Mortality Rate | PUB-2010 mortality table with generational scale MP-2021. |
|----------------|-----------------------------------------------------------|

*Discount Rate*

A single discount rate of 3.93% was used to measure the total OPEB liability as of June 30, 2024.

*Health Care Trend Sensitivity Analysis*

The following schedules measure the Net OPEB Liability if the health care cost trend rate used was 1-percentage-point higher than the assumed health care cost trend rate and 1-percentage-point lower than the assumed health care cost trend rate for June 30, 2024 (expressed in thousands).

|                                                     | <u>1% Decrease</u> | <u>Current Trend</u> | <u>1% Increase</u> |
|-----------------------------------------------------|--------------------|----------------------|--------------------|
| New Mexico State University's<br>Net OPEB Liability | <u>\$ 122,941</u>  | <u>\$ 139,662</u>    | <u>\$ 160,278</u>  |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**2. NMSU (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Discount Rate Sensitivity Analysis*

The following tables show the sensitivity of the OPEB liability to changes in the discount rate as of fiscal year end 2024. In particular, the table presents the University's OPEB liability under the current single rate assumption, as if it were calculated using a discount rate 1-percentage-point lower, (2.93%) or 1-percentage-point higher, (4.93%) than the single discount rate for June 30, 2024 (expressed in thousands).

|                                                     | 1% Decrease<br>(2.93%) | Current<br>Discount Rate<br>(3.93%) | 1% Increase<br>(4.93) |
|-----------------------------------------------------|------------------------|-------------------------------------|-----------------------|
| New Mexico State University's<br>Net OPEB Liability | <u>\$ 159,157</u>      | <u>\$ 139,662</u>                   | <u>\$ 123,687</u>     |

For the year ended June 30, 2024, the University recognized an OPEB expense of \$548 thousand. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

|                                                       | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and<br>Actual Experience | \$ -                                 | \$ (9,737)                          |
| Changes of Assumptions                                | 7,262                                | (9,397)                             |
| Total                                                 | <u>\$ 7,262</u>                      | <u>\$ (19,134)</u>                  |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

| <u>Year Ending June 30,</u> | <u>Amount</u>    |
|-----------------------------|------------------|
| 2025                        | \$ 10,066        |
| 2026                        | 2,275            |
| 2027                        | (471)            |
| 2028                        | -                |
| Total                       | <u>\$ 11,872</u> |



**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**3. NMIMT**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Institute's net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024.

The components of the Institute's net OPEB liability at June 30 2024, were as follows (expressed in thousands):

|                                    | <u>June 30, 2024</u> |
|------------------------------------|----------------------|
| Total OPEB Liability               | \$ 52,666            |
| Plan Fiduciary Net Position        | <u>(4,524)</u>       |
| The Institute's Net OPEB Liability | <u>\$ 48,142</u>     |

|                                                                        |    |
|------------------------------------------------------------------------|----|
| Plan Fiduciary Net Position as a Percentage<br>of Total OPEB Liability | 9% |
|------------------------------------------------------------------------|----|

*Actuarial Methods and Assumption*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement, unless otherwise specified:

|                             |                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary Increases            | 3.0%                                                                                                                                                                                                                                                                                                                                                            |
| Investment Rate of Return   | 5.25%                                                                                                                                                                                                                                                                                                                                                           |
| Healthcare Cost Trend Rates | Medical Pre-Medicare: 7.5% initially,<br>reduced by decrements to a rate of 4.5%<br>after 10 years.<br>Medical Post-Medicare: 6.25% initially,<br>reduced by decrements to a rate of 4.5%<br>after 10 years consistent for next seven<br>years.<br>Pharmacy: 12% initially, reduced by<br>decrement to a rate of 4.5% after 10 years<br>Dental and Vision: 3.0% |

Mortality rate were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**3. NMIMT (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.66%, which is a blended rate of the Institute's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. A blended discount rate was calculated based on separating the projected future payments between those paid from the Trust and those paid from general assets. The Trust assets were projected using the expected long-term rate of return. Payments from the Trust were assumed to begin when the projected assets value is fully funded, and all future projected benefit payments will be paid from the Trust.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the Institute's net OPEB liability at June 30, 2024, which was measured using the discount rate of 3.54% percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate (expressed in thousands):

|                    | 1% Decrease<br>(2.66%) | Current<br>Discount Rate<br>(3.66%) | 1% Increase<br>(4.66%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 58,186              | \$ 48,142                           | \$ 40,217              |

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the Institute's net OPEB liability at June 30, 2024, which was measured using the current healthcare cost trend rate of (Pre-Medicare: 7.00% decreasing to 4.50%, Post-Medicare: 6.50% decreasing to 4.50%, Pharmacy: 8.50% decreasing to 4.50%, and Dental and Vision: 3%), as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

|                    | 1% Decrease | Current<br>Discount | 1% Increase |
|--------------------|-------------|---------------------|-------------|
| Net OPEB Liability | \$ 39,769   | \$ 48,142           | \$ 58,989   |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**H. Single Employer Plans (Continued)**

**3. NMIMT (Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2024, the Institute recognized OPEB expenses of \$4.4 million. At June 30, 2024, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

|                                                                              | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Difference Between Actual and Expected Experience                            | \$ 7,964                             | \$ (8,126)                          |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investment | 290                                  | -                                   |
| Changes of Assumptions                                                       | 10,357                               | (12,867)                            |
| Institute Contribution Subsequent to the Measurement Date                    | 819                                  | -                                   |
| Total                                                                        | <u>\$ 19,430</u>                     | <u>\$ (20,993)</u>                  |

The \$.8 million reported as deferred outflows of resources related to OPEB resulting from Institute contributions subsequent to the measurement date of July 1, 2022 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

| <u>Year Ending June 30.</u> | <u>Amounts</u>    |
|-----------------------------|-------------------|
| 2024                        | \$ (103)          |
| 2025                        | (137)             |
| 2026                        | 270               |
| 2027                        | 599               |
| 2028                        | 343               |
| Thereafter                  | (3,354)           |
| Total                       | <u>\$ (2,382)</u> |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 13 DEFERRED COMPENSATION PLAN**

The State of New Mexico offers state, local government, and school district employees a deferred compensation plan (Deferred Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the "Deferred Compensation Act," in accordance with IRC Section 457. The Deferred Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available until termination, retirement, death, or unforeseeable emergency.

PERA is the trustee of the Deferred Plan; however, the Deferred Plan uses a third-party administrator, acting under contract with PERA. All costs of administration and funding are borne by the Deferred Plan participants. The Administrator has authority to control and manage the operation of the Deferred Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Deferred Plan, and has certain discretionary authority to decide all matters under the Deferred Plan. As Deferred Plan trustee, PERA's primary responsibility is to select investment options that are safe and provide a reasonable rate of return and to ensure that all investments, amounts, property, and rights under the executed Deferred Plan-Trust are held for the exclusive benefit of Deferred Plan participants and their beneficiaries, as defined in the Deferred Plan. The assets of the Deferred Plan are not assets of the State, but are held in trust for the exclusive benefit of Deferred Plan participants and their beneficiaries. The State has no liability for losses under the Deferred Plan but does have the duty of due care that would be required of a fiduciary agent.

The Deferred Plan issues a publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza la Prensa, Santa Fe, NM 87507. This report is also available online at: <http://www.nmpera.org/deferred-compensation>.

**NOTE 14 ARBITRAGE ON TAX-EXEMPT BONDS**

Arbitrage is the excess interest earned by a state or local government on proceeds from the sale of its bonds over interest paid to bondholders. The Tax Reform Act of 1986 TRA required rebate of such arbitrage to the U.S. Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if, both, all of the gross proceeds of the issue, other than the reserve fund, are spent within the six-month period following the date of issue, and the rebate requirement is satisfied for the reserve fund after the six-month period. The term gross proceeds for purposes of the rule includes both the sale proceeds received from the bond's purchaser on the issue date and investment earnings on such proceeds during the six-month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

The Office of the State Treasurer compiles this information, and files all required reports in compliance with regulations issued by the IRS.

## NOTE 15 SEGMENT INFORMATION

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**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 15 SEGMENT INFORMATION (CONTINUED)**

|                                                  |                       |        |    |        |    |         |    |        | Educational Institutions      |                             |                               |                                 |                                               |                               |                               |                          |    |           |  |
|--------------------------------------------------|-----------------------|--------|----|--------|----|---------|----|--------|-------------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------------------------|-------------------------------|-------------------------------|--------------------------|----|-----------|--|
|                                                  |                       |        |    |        |    |         |    |        | 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<br>(Continued) | State Fair Commission |        |    |        |    |         |    |        |                               |                             |                               |                                 |                                               |                               |                               |                          |    |           |  |
|                                                  | \$                    | 9      | \$ | 18     | \$ | 154,381 | \$ | 35,165 | \$                            | 29,999                      | \$                            | 83,314                          | \$                                            | 18,057                        | \$                            | 41,751                   | \$ | -         |  |
|                                                  |                       | 2,069  |    | 2,379  |    | 41,416  |    | 10,289 |                               | 6,421                       |                               | 15,150                          |                                               | 4,562                         |                               | 6,216                    |    | 134,817   |  |
|                                                  |                       | 15,457 |    | 34,339 |    | 332,318 |    | 70,074 |                               | 52,345                      |                               | 75,530                          |                                               | 16,238                        |                               | 28,429                   |    | 2,726,265 |  |
|                                                  |                       |        |    |        |    |         |    |        |                               |                             |                               |                                 |                                               |                               |                               |                          |    |           |  |
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**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 15 SEGMENT INFORMATION (CONTINUED)**

|                                                   | State Fair<br>Commission | Miners'<br>Colfax<br>Medical<br>Center | Educational Institutions          |                                     |                                       |                                                        |                                     |                                     |                                |
|---------------------------------------------------|--------------------------|----------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|
|                                                   |                          |                                        | New Mexico<br>State<br>University | Eastern<br>New Mexico<br>University | New Mexico<br>Highlands<br>University | New Mexico<br>Institute of<br>Mining and<br>Technology | New Mexico<br>Military<br>Institute | Western<br>New Mexico<br>University | University<br>of New<br>Mexico |
| Condensed Statement of Cash Flows:                |                          |                                        |                                   |                                     |                                       |                                                        |                                     |                                     |                                |
| Net Cash Provided (Used) by:                      |                          |                                        |                                   |                                     |                                       |                                                        |                                     |                                     |                                |
| Operating Activities                              | \$ (441)                 | \$ (7,738)                             | \$ (361,349)                      | \$ (94,351)                         | \$ (60,061)                           | \$ (43,559)                                            | \$ (29,789)                         | \$ (40,131)                         | \$ (580,399)                   |
| Noncapital Financing Activities                   | 2,682                    | 11,297                                 | 147,476                           | 108,803                             | 64,657                                | 68,421                                                 | 3,123                               | 56,182                              | 861,800                        |
| Capital and Related Financing<br>Activities       | (2,841)                  | (2,435)                                | (13,637)                          | (393)                               | (4,858)                               | (4,571)                                                | 2,099                               | (3,352)                             | (140,811)                      |
| Investing Activities                              | 593                      | -                                      | 294,927                           | (6,344)                             | (20,267)                              | (17,071)                                               | 29,384                              | 1,576                               | 74,893                         |
| Cash and Cash Equivalents at<br>Beginning of Year | 3,225                    | 838                                    | 131,742                           | 26,640                              | 26,192                                | 27,411                                                 | 32,229                              | 16,891                              | 444,226                        |
| Cash and Cash Equivalents at<br>End of Year       | <u>\$ 3,218</u>          | <u>\$ 1,962</u>                        | <u>\$ 199,159</u>                 | <u>\$ 34,355</u>                    | <u>\$ 5,663</u>                       | <u>\$ 30,631</u>                                       | <u>\$ 37,046</u>                    | <u>\$ 31,166</u>                    | <u>\$ 659,709</u>              |

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 16 STATE GENERAL FUND INVESTMENT POOL**

The Financial Control Division (FCD), within the Department of Finance and Administration (DFA), in collaboration with the New Mexico State Treasurer's Office (STO), implemented a comprehensive reconciliation model that compared aggregated agency claims on the State General Fund Investment Pool (SGFIP) to the associated resources held by STO. There have been many reviews of the process, and each review has deemed it to be adequate and in compliance with established procedures. For fiscal year 2024, the following assertions are provided:

1. Resources held in the pool are equivalent to the corresponding business unit claims on those resources.
2. All claims, as recorded in SHARE, shall be honored at face value.

For cash management and investment purposes, funds of various state agencies are deposited in the SGFIP, which is managed by STO. The SGFIP is reported as a fiduciary fund in the financial statements of STO. Claims on the SGFIP are reported as assets by the various agencies investing in the SGFIP. By statute, the DFA is responsible for reconciling the SGFIP balances.

**NOTE 17 TAX ABATEMENTS**

In fiscal year 2017, the State adopted GASB Statement No. 77 *entitled, Tax Abatement Disclosures*. Statement No. 77 requires the governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should also recognize those disclosures by major tax abatement programs and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.



**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 17 TAX ABATEMENTS (CONTINUED)**

The State has provided the following disclosure of tax abatements affecting the State of New Mexico. Tax receipts processed by the Department of Taxation and Revenue are recognized as revenue in various departments of the State. Abatements affecting local governments are disclosed in the financial statements of each local governmental entity, and can be obtained from the accounting department of each local government.

As allowed by state statute, the various local governments in the State participate in various Industrial Revenue Bond Programs/Industrial Development Projects (IRBs/IDPs) which result in reduced revenues for all participating governments. Various local governments have identified the State of New Mexico as a governmental entity which has been impacted by reduced revenues. The specific amount of loss revenues of the State as a result of these various programs has not been determined; however, it is deemed to be insignificant to the State of New Mexico as a whole.

**NOTE 18 COMMITMENTS**

**A. Construction Commitments**

The State has active construction projects as of June 30, 2024. The projects include highway construction, university infrastructure, and facilities construction and renovation. At year-end, the State's commitments for construction were \$467.3 million for governmental activities and \$212 million for business-type activities.

**B. Loan Commitments**

New Mexico Environment Department

The New Mexico Environment Department had loan commitments at June 30, 2024 of the following:

- Wastewater Loan Construction Fund – the agency has executed binding commitments to disburse \$33.4 million for future loans.
- Rural Infrastructure Loan Fund – the agency has executed binding commitments to disburse \$2. million for loans and grants.

New Mexico Energy, Mineral, and Natural Resources Department

The Department had contractual commitments related to various capital projects on June 30, 2024, related to projects in progress. On June 30, 2024, the Department spent \$3,302,711 on these projects and had remaining contractual commitments of \$3,347,278. These projects are funded through the Capital Projects GGRT Funds.

Carlsbad Brine Well construction has been completed, and monitoring of the project will continue through fiscal year 2026.

**STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 18 COMMITMENTS (CONTINUED)**

**C. Capital Commitments**

State of New Mexico Investment Council

The State of New Mexico Investment Council has commitments for capital contributions to various private equity partnerships and real estate/real asset investments. As of June 30, 2024, unfunded commitments to private equity partnerships were approximately \$3.02 billion, unfunded commitments to real estate and real asset investments were approximately \$4.43 billion, and unfunded commitment to the Private Debt Pool was \$3.40 billion. Due to the nature of these investments, the Office cannot predict when these capital contributions will be called. Subsequent to June 30, 2024, the Office approved an additional \$1.54 billion of commitments to private equity, real estate, and real asset partnerships.

**NOTE 19 CONTINGENCIES**

**A. Contingent Liabilities**

66500 - Department of Health

A complaint was filed on February 14, 2025. The complaint claims that the Department of Health violated the Inspection of Public Records Act (IPRA) by failing to produce documents responsive to an IPRA request from September 2023. The damages in this case are not likely to exceed \$350,000; however, damages could be significant if the plaintiff is awarded damages plus attorneys' fees and costs, as permitted under IPRA.

New Mexico Mortgage Finance Authority

The New Mexico Mortgage Finance Authority (the Authority) entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development (HUD) under Section 542(c) of the Housing and Community Development Act of 1992, whereby HUD and the Authority provide credit enhancements for third party multifamily housing project loans. HUD has assumed 90% of the risk and the Authority guarantees the remaining 10% risk of loss in the event of a default on specific loans.

As of September 30, 2024 and 2023, the Authority is committed to assume a risk of approximately \$4,110,000 and \$4,373,000 for the 34 loans closed, respectively.

These loans are considered in the Authority's assessment for the allowance for mortgage loan losses. As of September 30, 2024, of the 34 loans closed, four of the loans are not included in the Authority's financial statements because they are 100% participation with Fannie Mae. Of the \$4,110,000 risk assumed as of September 30, 2024, the Authority's assumed risk approximated \$143,000 for these off-balance sheet loans. The end dates for the guarantees range from 2027-2058. In situations where the Authority is called upon to honor its guarantee, the Authority will take possession of and sell the loan collateral. HUD and the Authority will make up any shortfall resulting from the sale of the collateral on a 90%/10% pro rata basis.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 19 CONTINGENCIES (CONTINUED)**

**A. Contingent Liabilities (Continued)**

New Mexico Mortgage Finance Authority (Continued)

The Authority entered into a risk-sharing agreement with the U.S. Department of Agriculture under Section 538 Rural Rental Housing Guaranteed Loan Program. The Rural Housing Service (RHS), Department of Agriculture (USDA) provides credit enhancements to encourage private and public lenders to make new loans for affordable rental properties that meet program standards. The USDA has assumed 90% of the risk in the one loan closed and funded by the Authority as of September 30, 2024. As of September 30, 2024 and 2023, the Authority is committed to assume a risk of approximately \$98,000 and \$101,000 for the one loan closed, respectively.

**B. Other Matters**

Federal Funds

In fiscal year 2024, the State received federal financial assistance for specific purposes. The expenditure of this assistance is subject to audit. Audits may result in expenditures that are disallowed or findings of noncompliance under the terms and conditions of the federal financial assistance. To the extent there are any disallowances or findings of noncompliance relevant to federal financial assistance, the State does not believe such determinations will have a material effect on its financial position.

Additionally, federal executive branch policy changes have the potential to impact federal financial assistance to the State. While the specific impacts of these changes are currently unknown, the State will continue to monitor them and take appropriate steps necessary to address any future financial concerns they may cause.

**NOTE 20 SUBSEQUENT EVENTS**

**A. Bond Issues**

34103- Board of Finance/Department of Finance and Administration

On December 30, 2024, General Fund liquidity account purchased two notes in total of 324,431,934, Series STB 2024S-C 180,232,729 and Series SSTB 2024S-D 144,199,205, respectively.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 20 SUBSEQUENT EVENTS (CONTINUED)**

**A. Bond Issues (Continued)**

34103- Board of Finance/Department of Finance and Administration (Continued)

Subject to certain statutory minimum transfers to the Severance Tax Permanent Fund provided for in NMSA 1978, Section 7-27-8 and NMSA 1978, Section 7-27-10.2, NMSA 1978 Section 7-27-8 requires that on each December 31 and each June 30 the State Treasurer shall transfer to the Severance Tax Permanent Fund all money in the Severance Tax Bonding Fund except the amount necessary to meet all principal and interest payments on outstanding senior and supplemental severance tax bonds payable from the Severance Tax Bonding Fund on the next two ensuing semiannual payment dates. The amount necessary to meet such principal and interest payments on bonds on January 1, 2025 and July 1, 2025, that should be retained in the Severance Tax Bonding Fund in accordance with NMSA 1978 Section 7-27-8 is \$202,057,750.00. In addition to such statutory requirements, NMSA 1978, Section 7-27-8 and NMSA 1978, Section 7-27-10.2 provide for minimum amounts to be transferred to the Severance Tax Permanent Fund each year. The amount to be transferred in the current year is projected to exceed the applicable statutory minimum transfers.

38500 – New Mexico Finance Authority

On October 1, 2024, New Mexico Finance Authority (NMFA) issued PPRF 2024B bonds in the amount of \$45.3 million. On February 25, 2025, issued PPRF 2025A bonds in the amount of \$99.2 million.

81400 – New Mexico Mortgage Finance Authority

On February 26, 2025, the Authority issued \$72,000,000 (2025 Series A) and \$48,000,000 (2025 Series B) of Single-Family Mortgage Program Class I Bonds under the 2005 General Indenture.

**B. Other Events**

35000 – General Service Department

Effective July 1, 2024, the Group Insurance Premium Stabilization fund (SHARE fund 75200) and Insurance Carrier Fund (SHARE fund 56100) have been administratively reassigned to the New Mexico Health Care Authority (SHARE Business Unit 63000) in accordance with 2024 Senate Bill 14.

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 20 SUBSEQUENT EVENTS (CONTINUED)**

**B. Other Events (Continued)**

63000 – Health Care Authority

Effective July 1, 2024, the New Mexico Human Services Department will be renamed the New Mexico Health Care Authority, following the integration of several departments from various state agencies. This restructuring is based on legislation passed by the State Legislature in 2023 and 2024 and includes the transfer of the State Employee Benefits team, the Developmental Disabilities Supports Division, the Division of Health Improvement, and the Health Care Affordability Fund. The reorganization aims to enhance the delivery of comprehensive, cost-effective, and accessible health care services while addressing key challenges such as improving health care access in rural areas, strengthening the behavioral health system, and supporting individuals and families facing poverty and food insecurity. By consolidating services under one entity, the agency seeks to streamline operations, optimize health care purchasing, and create a unified approach to health care policy and regulation. The financial impact of these changes will be assessed in the coming fiscal year and reflected in the agency's financial statements as necessary.

68000- Office of Family Representation and Advocacy

The Office of Family Representation and Advocacy (OFRA) was created by the New Mexico Legislature in 2022 under NMSA 1978, §32A-27-1 et seq. It is an Executive Branch agency led by an Executive Director and overseen by a 13-member Commission, which includes youth and parent representatives. The Commission is responsible for appointing the Executive Director, setting policies, and approving the budget. OFRA is funded through state general funds and federal Title IV-E funds, with the ability to accept gifts and grants.

OFRA provides legal representation in cases under the New Mexico Children's Code, including abuse and neglect, families in need of court-ordered services, and extended foster care. It also offers consultations for parents considering voluntary child placement. OFRA's practice model emphasizes manageable caseloads, appropriate compensation, and access to interdisciplinary support, improving outcomes such as fewer placement disruptions, quicker permanency, and reduced maltreatment upon reunification.

66500- Department of Health

DOH settled a Complaint for damages for alleged violations of the New Mexico Whistleblower Protection Act and the New Mexico Human Rights Act on March 1, 2025, in the amount of \$525,000.00.

Per SB16, the Developmental Disabilities Support Division and Division of Health Improvement transferred to Health Care Authority Department on July 1, 2024.

New Mexico Institute of Mining and Technology

Change in custodial arrangement for deposits and investments of \$5 million from First State Bank to State Treasurer LGIP for investment purposes.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                  | Budgetary Amounts |                | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget |
|--------------------------------------------------|-------------------|----------------|-----------------------------------------|----------------------------------|
|                                                  | Original          | Final          |                                         |                                  |
| <b>REVENUES</b>                                  |                   |                |                                         |                                  |
| Taxes                                            | \$ 971,009        | \$ 1,005,802   | \$ 10,843,918                           | \$ 9,838,116                     |
| Federal Revenue                                  | 10,173,738        | 12,198,961     | 10,246,898                              | (1,952,063)                      |
| Investment Income                                | 8,147             | 8,147          | 1,163,380                               | 1,155,233                        |
| Rentals and Royalties                            | 24,015            | 24,015         | 179,479                                 | 155,464                          |
| Charges for Services                             | 190,870           | 191,701        | 217,397                                 | 25,696                           |
| Licenses, Fees, and Permits                      | 178,456           | 182,796        | 417,201                                 | 234,405                          |
| Assessments                                      | 49,640            | 49,640         | 55,506                                  | 5,866                            |
| Miscellaneous and Other                          | 334,321           | 331,971        | 5,775,785                               | 5,443,814                        |
| Operating Transfers In                           | 9,580,794         | 9,678,917      | -                                       | (9,678,917)                      |
| Total Revenues                                   | 21,510,990        | 23,671,950     | 28,899,564                              | 5,227,614                        |
| <br>Fund Balance Budgeted                        | <br>291,816       | <br>858,965    |                                         |                                  |
| <br>Total                                        | <br>21,802,806    | <br>24,530,915 |                                         |                                  |
| <b>EXPENDITURES</b>                              |                   |                |                                         |                                  |
| Culture, Recreation, and Natural Resources:      |                   |                |                                         |                                  |
| Arts Program                                     | 2,423             | 2,718          | 2,578                                   | 140                              |
| Conservation Services Program                    | 27,249            | 30,384         | 28,565                                  | 1,819                            |
| Dep Damage Nuisance Abatement                    | 1,171             | 1,171          | 902                                     | 269                              |
| Energy Efficiency and Renewable                  | 5,860             | 12,012         | 4,853                                   | 7,159                            |
| Field Operations Program                         | 11,955            | 11,955         | 7,783                                   | 4,172                            |
| Game and Fish Administration                     | 9,405             | 9,405          | 8,686                                   | 719                              |
| Healthy Forests                                  | 29,538            | 63,755         | 24,518                                  | 39,237                           |
| Interstate Stream Commission                     | 23,084            | 32,388         | 11,935                                  | 20,453                           |
| Intertribal Ceremonial                           | 148               | 148            | -                                       | 148                              |
| Land Trust Stewardship                           | 24,588            | 27,473         | 25,248                                  | 2,225                            |
| Library Services                                 | 6,984             | 7,955          | 6,779                                   | 1,176                            |
| Litigation and Adjustment Pro                    | 10,918            | 11,035         | 7,774                                   | 3,261                            |
| Livestock Inspection                             | 9,069             | 10,071         | 8,665                                   | 1,406                            |
| Meat Inspection Division                         | 1,046             | 262            | 215                                     | 47                               |
| Mine Reclamation                                 | 13,542            | 14,042         | 8,063                                   | 5,979                            |
| Museum and Monuments                             | 34,350            | 36,358         | 35,279                                  | 1,079                            |
| Natural Resource Damage Assess                   | 5,198             | 17,515         | 1,443                                   | 16,072                           |
| Office of the State Engineer                     | 5,850             | 5,850          | 5,827                                   | 23                               |
| Oil Conservation                                 | 56,097            | 59,629         | 38,147                                  | 21,482                           |
| Parks and Recreation                             | 27,972            | 29,554         | 19,953                                  | 9,601                            |
| Preservation                                     | 3,877             | 4,140          | 2,590                                   | 1,550                            |
| Program Support                                  | 4,963             | 4,963          | 4,948                                   | 15                               |
| Program Support                                  | 6,766             | 10,163         | 6,016                                   | 4,147                            |
| Water Resource Allocation Program                | 19,686            | 19,759         | 18,727                                  | 1,032                            |
| Youth Conservation Corps.                        | 5,898             | 5,898          | 4,338                                   | 1,560                            |
| Total Culture, Recreation, and Natural Resources | 347,637           | 428,603        | 283,832                                 | 144,771                          |
| <br>Education:                                   |                   |                |                                         |                                  |
| Administrative Services                          | 5,444             | 5,444          | 4,997                                   | 447                              |
| Disability Determination                         | 18,053            | 18,753         | 16,586                                  | 2,167                            |
| Independent Living                               | 1,551             | 2,449          | 1,545                                   | 904                              |
| Operations                                       | 87,095            | 92,436         | 31,808                                  | 60,628                           |
| OPPORTUNITY SCHOLARSHIP                          | 146,000           | 146,000        | 14,483                                  | 131,517                          |
| Public Schools Facilities Authority              | 7,186             | 7,186          | 6,360                                   | 826                              |
| Rehab Services                                   | 30,856            | 32,256         | 30,605                                  | 1,651                            |
| SDE Operation                                    | 30,452            | 31,192         | 29,477                                  | 1,715                            |
| Student Financial Aid                            | 77,430            | 101,714        | 16,582                                  | 85,132                           |
| Total Education                                  | 404,067           | 437,430        | 152,443                                 | 284,987                          |

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                                       | Budgetary Amounts |           | Actual                        | Variance             |
|-------------------------------------------------------|-------------------|-----------|-------------------------------|----------------------|
|                                                       | Original          | Final     | Amounts<br>Budgetary<br>Basis | With Final<br>Budget |
| <b>EXPENDITURES (CONTINUED)</b>                       |                   |           |                               |                      |
| General Control:                                      |                   |           |                               |                      |
| Administrative Hearings Office                        | \$ 2,392          | \$ 2,402  | \$ 2,375                      | \$ 27                |
| Agency Program Code                                   | 4,873             | 5,790     | 4,868                         | 922                  |
| Broadband                                             | 1,370             | 4,043     | 3,562                         | 481                  |
| Community Development and Local Government Assistance | 43,403            | 50,659    | 45,028                        | 5,631                |
| Compliance and Project Managem                        | 5,721             | 6,962     | 6,941                         | 21                   |
| Compliance Enforcement                                | -                 | 2,053     | 1,776                         | 277                  |
| Criminal and Juvenile Justice                         | 1,441             | 1,534     | 1,497                         | 37                   |
| Elections                                             | 14,151            | 18,544    | 19,242                        | (698)                |
| Executive Management and Leadership                   | 6,260             | 6,260     | 5,733                         | 527                  |
| Facilities Management Division                        | 19,551            | 20,071    | 32,010                        | (11,939)             |
| Fiscal Management and Oversight                       | 101,511           | 98,947    | 7,161                         | 91,786               |
| Medicaid Fraud Program                                | 4,117             | 4,117     | 3,435                         | 682                  |
| Motor Vehicle                                         | 53,886            | 53,906    | 39,314                        | 14,592               |
| New Mexico State Personnel                            | 4,518             | 4,573     | 4,468                         | 105                  |
| Office of the Attorney General                        | 32,121            | 47,827    | 25,173                        | 22,654               |
| Operations                                            | -                 | 2,898     | 1,952                         | 946                  |
| Policy Development, Fiscal and Budget                 | 28,454            | 28,454    | 5,800                         | 22,654               |
| Program Support                                       | 2,589             | 2,589     | 2,553                         | 36                   |
| Program Support                                       | -                 | 24,816    | 42,000                        | (17,184)             |
| Property Tax                                          | 6,423             | 6,423     | 5,448                         | 975                  |
| Prosecution Program P262                              | 41                | 53        | 47                            | 6                    |
| Pubic Employee Labor Relations Board                  | 285               | 285       | 276                           | 9                    |
| Records Information and Archival Management           | 3,079             | 3,079     | 3,014                         | 65                   |
| Secretary of State                                    | 4,812             | 4,812     | 4,845                         | (33)                 |
| State Investment Program                              | 65,952            | 66,880    | 59,733                        | 7,147                |
| State Ombudsman Program                               | 669               | 669       | 654                           | 15                   |
| State Purchasing                                      | 3,065             | 3,065     | 2,612                         | 453                  |
| State Treasurer's Office                              | 4,884             | 4,884     | 4,570                         | 314                  |
| TAA                                                   | -                 | 39,448    | 37,910                        | 1,538                |
| Total General Control                                 | 415,568           | 516,043   | 373,997                       | 142,046              |
| Health and Human Services:                            |                   |           |                               |                      |
| Administration                                        | 47,874            | 54,503    | 28,781                        | 25,722               |
| Adult Protective Services Program                     | 19,961            | 20,245    | 18,245                        | 2,000                |
| Behavioral Health Services                            | 99,405            | 114,696   | 100,734                       | 13,962               |
| Behavioral Health Services                            | 54,529            | 54,529    | 44,425                        | 10,104               |
| Blind Services Program                                | 9,135             | 11,735    | 9,503                         | 2,232                |
| Brain Injury Advisory Council                         | 219               | 219       | 169                           | 50                   |
| Child Support Enforcement Program                     | 39,970            | 41,352    | 38,617                        | 2,735                |
| Community Involvement                                 | 52,988            | 53,022    | 51,807                        | 1,215                |
| DD Planning Council and Information Center            | 2,030             | 2,152     | 2,075                         | 77                   |
| Early Childhood Services                              | 387,678           | 411,288   | 365,640                       | 45,648               |
| Elder Rights and Health Advocacy                      | 5,738             | 5,839     | 4,528                         | 1,311                |
| Employment Services                                   | 32,756            | 36,244    | 28,177                        | 8,067                |
| Environmental Protection Division                     | 25,071            | 35,267    | 27,129                        | 8,138                |
| Family Support and Early Intervention                 | 77,323            | 78,397    | 65,074                        | 13,323               |
| Income Support Program                                | 1,327,714         | 1,503,067 | 1,388,418                     | 114,649              |
| Information Advocacy and Service                      | 1,072             | 1,197     | 948                           | 249                  |
| Information Advocacy Services                         | 1,907             | 1,976     | 1,698                         | 278                  |
| Juvenile Justice Services                             | 78,989            | 79,079    | 73,592                        | 5,487                |
| Labor Relations Division                              | 4,353             | 4,373     | 3,840                         | 533                  |
| Martin Luther King Jr. Program                        | 368               | 368       | 333                           | 35                   |
| Medicaid Behavioral Health Program                    | 823,498           | 884,298   | 746,000                       | 138,298              |
| Medical Assistance Program                            | 8,163,501         | 8,828,654 | 8,493,870                     | 334,784              |

See accompanying Notes to Budgetary Reporting.



**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                                   | Budgetary Amounts |            | Actual                        | Variance             |
|---------------------------------------------------|-------------------|------------|-------------------------------|----------------------|
|                                                   | Original          | Final      | Amounts<br>Budgetary<br>Basis | With Final<br>Budget |
| <b>EXPENDITURES (CONTINUED)</b>                   |                   |            |                               |                      |
| Health and Human Services (Continued):            |                   |            |                               |                      |
| Medical Cannabis Program                          | \$ 2,517          | \$ 2,642   | \$ 2,459                      | \$ 183               |
| NM Communication on the Status of Women           | 303               | 303        | 283                           | 20                   |
| Office of Family Rep and Advocacy                 | 10,530            | 10,530     | 7,702                         | 2,828                |
| Office of Guardianship                            | 8,200             | 8,300      | 8,300                         | -                    |
| Policy, Research, and Quality                     | 27,651            | 30,365     | 23,001                        | 7,364                |
| Pre-K Division                                    | 220,534           | 220,534    | 130,100                       | 90,434               |
| Program Area 1 - Administration                   | 20,133            | 26,333     | 18,772                        | 7,561                |
| Program Area 2 - Public Health                    | 252,311           | 270,942    | 216,006                       | 54,936               |
| Program Area 3 - Epi Response                     | 65,104            | 87,319     | 52,579                        | 34,740               |
| Program Area 4 - Lab Services                     | 17,533            | 18,410     | 17,359                        | 1,051                |
| Program Area 6 - Facilities                       | 191,131           | 191,174    | 155,174                       | 36,000               |
| Program Area 7 - Developmentally Disabled         | 204,042           | 204,042    | 31,538                        | 172,504              |
| Program Area 8 - Health Certification and License | 20,336            | 22,487     | 17,509                        | 4,978                |
| Program One                                       | 4,848             | 4,828      | 3,812                         | 1,016                |
| Program Support                                   | 76,836            | 86,216     | 75,047                        | 11,169               |
| Program Support                                   | 21,955            | 21,955     | 20,451                        | 1,504                |
| Program Support                                   | 10,716            | 10,716     | 6,576                         | 4,140                |
| Program Support                                   | 44,512            | 44,512     | 34,662                        | 9,850                |
| Protective Services                               | 226,884           | 226,928    | 207,827                       | 19,101               |
| Resource Management Division                      | 11,194            | 11,972     | 10,783                        | 1,189                |
| Resource Protection Division                      | 18,451            | 22,621     | 14,029                        | 8,592                |
| Special Revenue                                   | 6,094             | 6,968      | -                             | 6,968                |
| Special Revenue Funds                             | 53,048            | 61,157     | 10,908                        | 50,249               |
| Telecommunication Apron.                          | 3,241             | 3,241      | 2,269                         | 972                  |
| Unemployment Insurance                            | 16,567            | 16,567     | 11,057                        | 5,510                |
| Uninsured Employers Fund                          | 970               | 970        | 678                           | 292                  |
| Veteran's Services Program                        | 8,256             | 8,637      | 7,781                         | 856                  |
| Water Protection Division                         | 62,078            | 68,459     | 29,441                        | 39,018               |
| Workers' Compensation Administration              | 12,692            | 13,326     | 12,208                        | 1,118                |
| Workforce Technology Services Division            | 27,315            | 27,315     | 20,877                        | 6,438                |
| Total Health and Human Services                   | 12,902,061        | 13,952,269 | 12,642,791                    | 1,309,478            |
| Highways and Transportation:                      |                   |            |                               |                      |
| Highway Operations                                | 325,616           | 405,148    | 340,488                       | 64,660               |
| Modal                                             | 85,776            | 178,552    | 67,936                        | 110,616              |
| Program Support                                   | 58,916            | 54,916     | 48,297                        | 6,619                |
| Project Design and Construction                   | 786,710           | 1,832,405  | 803,928                       | 1,028,477            |
| Total Highways and Transportation                 | 1,257,018         | 2,471,021  | 1,260,649                     | 1,210,372            |
| Judicial:                                         |                   |            |                               |                      |
| Administrative Support                            | 97,816            | 98,289     | 91,790                        | 6,499                |
| Bernalillo County Metro Court                     | 34,134            | 34,419     | 33,172                        | 1,247                |
| Court of Appeals Program                          | 8,685             | 8,685      | 8,612                         | 73                   |
| District Court                                    | 15,573            | 16,041     | 15,405                        | 636                  |
| Eighth Judicial District Court                    | 6,429             | 6,719      | 6,380                         | 339                  |
| Fifth Judicial District Court                     | 14,217            | 14,183     | 13,846                        | 337                  |
| First Judicial District Court                     | 14,318            | 15,140     | 14,210                        | 930                  |
| Fourth Judicial District Court                    | 6,045             | 6,334      | 5,980                         | 354                  |
| Judicial                                          | 7,763             | 7,533      | 7,339                         | 194                  |
| Judicial Standards Communication Program          | 1,094             | 1,094      | 1,050                         | 44                   |
| Magistrate Courts                                 | 15,880            | 15,880     | 14,192                        | 1,688                |
| N. M. Compilation Commission                      | 1,553             | 1,553      | 1,317                         | 236                  |
| New Mexico Supreme Court                          | 8,088             | 8,089      | 8,060                         | 29                   |
| Ninth Judicial District Court                     | 6,744             | 6,735      | 6,705                         | 30                   |
| Prosecution Program                               | 4,366             | 4,423      | 4,499                         | (76)                 |
| Prosecution Program P251                          | 9,140             | 9,140      | 8,607                         | 533                  |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                            | Budgetary Amounts |           | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget |
|--------------------------------------------|-------------------|-----------|-----------------------------------------|----------------------------------|
|                                            | Original          | Final     |                                         |                                  |
| EXPENDITURES (CONTINUED)                   |                   |           |                                         |                                  |
| Judicial (Continued):                      |                   |           |                                         |                                  |
| Prosecution Program P252                   | \$ 32,558         | \$ 33,780 | \$ 32,100                               | \$ 1,680                         |
| Prosecution Program P253                   | 7,186             | 7,526     | 7,253                                   | 273                              |
| Prosecution Program P254                   | 4,550             | 4,560     | 4,481                                   | 79                               |
| Prosecution Program P255                   | 7,701             | 7,701     | 7,700                                   | 1                                |
| Prosecution Program P257                   | 3,683             | 3,683     | 3,639                                   | 44                               |
| Prosecution Program P258                   | 4,221             | 4,221     | 4,186                                   | 35                               |
| Prosecution Program P259                   | 4,376             | 4,376     | 4,374                                   | 2                                |
| Prosecution Program P260                   | 2,087             | 2,087     | 2,013                                   | 74                               |
| Prosecution Program P261                   | 6,998             | 7,010     | 6,824                                   | 186                              |
| Prosecution Program P262                   | 5,147             | 5,151     | 5,103                                   | 48                               |
| Prosecution Program P263                   | 8,477             | 8,508     | 8,378                                   | 130                              |
| Prosecution Program P265                   | 3,782             | 3,782     | 2,572                                   | 1,210                            |
| Rollup Only                                | 15,238            | 15,323    | 15,011                                  | 312                              |
| Second Judicial District Court             | 39,218            | 39,012    | 37,725                                  | 1,287                            |
| Seventh District Court                     | 5,372             | 5,372     | 5,217                                   | 155                              |
| Statewide Judiciary Automation             | 17,147            | 17,147    | 10,662                                  | 6,485                            |
| Tenth Judicial District Court Program      | 2,272             | 2,272     | 2,125                                   | 147                              |
| Third Judicial District Court              | 15,052            | 15,192    | 14,584                                  | 608                              |
| Twelfth Judicial District Court            | 6,877             | 6,877     | 6,750                                   | 127                              |
| Total Judicial                             | 443,787           | 447,837   | 421,861                                 | 25,976                           |
| Legislative:                               |                   |           |                                         |                                  |
| Education Study Committee                  | 1,768             | 1,768     | 1,630                                   | 138                              |
| Legislative Analysis and Oversight Program | 5,948             | 5,948     | 5,824                                   | 124                              |
| Total Legislative                          | 7,716             | 7,716     | 7,454                                   | 262                              |
| Public Safety:                             |                   |           |                                         |                                  |
| Community Offender Management              | 37,749            | 37,756    | 36,932                                  | 824                              |
| Federal Grant Administration               | 21,787            | 23,887    | 20,894                                  | 2,993                            |
| Homeland Security and Emergency Management | 33,249            | 39,788    | 21,005                                  | 18,783                           |
| Inmate Management and Control              | 292,539           | 292,655   | 287,092                                 | 5,563                            |
| Juvenile Justice Services                  | 2,157             | 2,157     | 450                                     | 1,707                            |
| Juvenile Parole Board                      | 8                 | 8         | 1                                       | 7                                |
| Law Enforcement Program                    | 156,488           | 158,488   | 153,263                                 | 5,225                            |
| National Guard Support Program             | 32,626            | 37,691    | 29,005                                  | 8,686                            |
| Parole Board Program                       | 756               | 756       | 588                                     | 168                              |
| Program Support                            | 12,689            | 12,689    | 8,825                                   | 3,864                            |
| Program Support                            | 15,818            | 15,905    | 15,759                                  | 146                              |
| Reentry                                    | 22,970            | 23,083    | 20,409                                  | 2,674                            |
| State Fire Marshal's Office                | 132,470           | 133,870   | 118,731                                 | 15,139                           |
| State Law Enforcement Supp Program         | 33,100            | 33,100    | 27,109                                  | 5,991                            |
| Veteran's Services Program                 | 80                | 80        | -                                       | 80                               |
| Victim Compensation Program                | 4,725             | 5,375     | 5,233                                   | 142                              |
| Total Public Safety                        | 799,211           | 817,288   | 745,296                                 | 71,992                           |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

|                                     | Budgetary Amounts |               | Actual                        | Variance             |
|-------------------------------------|-------------------|---------------|-------------------------------|----------------------|
|                                     | Original          | Final         | Amounts<br>Budgetary<br>Basis | With Final<br>Budget |
| <b>EXPENDITURES (CONTINUED)</b>     |                   |               |                               |                      |
| Regulation and Licensing:           |                   |               |                               |                      |
| Administration                      | \$ 1,513          | \$ 1,516      | \$ 1,434                      | \$ 82                |
| ASD and PEPS                        | 1,404             | 2,060         | 1,222                         | 838                  |
| Board of Architects                 | 550               | 550           | 507                           | 43                   |
| Boards and Commissions              | 17,996            | 20,104        | 8,988                         | 11,116               |
| Cannabis Control Division           | 6,668             | 6,668         | 4,055                         | 2,613                |
| Economic Development                | 13,082            | 147,878       | 53,506                        | 94,372               |
| Film Division                       | 1,709             | 2,038         | 1,712                         | 326                  |
| Horse Racing Regulation             | 3,871             | 7,116         | 5,348                         | 1,768                |
| Insurance Fraud and Auto Theft      | 2,969             | 3,113         | 2,813                         | 300                  |
| Insurance Policy                    | 95,053            | 96,531        | 81,744                        | 14,787               |
| Manufactured Housing Division       | 1,655             | 1,655         | 1,298                         | 357                  |
| Marketing and Promotion             | 20,776            | 21,076        | 21,018                        | 58                   |
| Medical Examiners Licensing         | 3,375             | 3,375         | 2,558                         | 817                  |
| Military Base Planning Support      | 304               | 304           | 146                           | 158                  |
| New Mexico Border Authority         | 604               | 604           | 459                           | 145                  |
| New Mexico State Fair               | 375               | 375           | 375                           | -                    |
| Nursing Licensing and Certification | 4,257             | 4,357         | 3,155                         | 1,202                |
| Outdoor Recreation                  | 1,175             | 3,855         | 3,420                         | 435                  |
| Outreach                            | 3,134             | 3,207         | 2,721                         | 486                  |
| Policy and Regulation               | 10,691            | 11,370        | 10,650                        | 720                  |
| Program Four                        | 4,291             | 4,291         | 3,712                         | 579                  |
| Program One                         | 12,423            | 12,423        | 11,509                        | 914                  |
| Program One                         | 6,642             | 6,642         | 6,377                         | 265                  |
| Program Support                     | 4,123             | 4,123         | 1,293                         | 2,830                |
| Program Support                     | 1,983             | 1,983         | 1,827                         | 156                  |
| Program Support                     | 4,183             | 4,183         | 4,112                         | 71                   |
| Program Three                       | 1,467             | 1,467         | 1,250                         | 217                  |
| Program Two                         | 4,761             | 5,529         | 3,621                         | 1,908                |
| Securities Division                 | 2,170             | 2,170         | 1,783                         | 387                  |
| Spaceport Authority                 | 11,577            | 13,347        | 10,729                        | 2,618                |
| Special Revenues                    | 1,416             | 1,416         | -                             | 1,416                |
| Special Revenues                    | 12,275            | 12,889        | -                             | 12,889               |
| Veterinary Licensing Program        | 486               | 486           | 375                           | 111                  |
| Total Regulation and Licensing      | 258,958           | 408,701       | 253,717                       | 154,984              |
| Special Appropriations:             |                   |               |                               |                      |
| Special Appropriations              | 4,962,413         | 5,044,008     | 4,684,863                     | 359,145              |
| Total Special Appropriations        | 4,962,413         | 5,044,008     | 4,684,863                     | 359,145              |
| Total Expenditures                  | 21,798,436        | 24,530,916    | 20,826,903                    | 3,704,013            |
| <b>NET CHANGE IN FUND BALANCE</b>   | <b>\$ 4,370</b>   | <b>\$ (1)</b> | <b>\$ 8,072,661</b>           |                      |

See accompanying Notes to Budgetary Reporting.

**STATE OF NEW MEXICO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

**Budget Basis to GAAP Basis Reconciliation**

|                                                                                                                          |                            |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Net Change in Fund Balance (Budgetary Basis)                                                                             | \$ 8,072,661               |
| Differences:                                                                                                             |                            |
| Other Financing Sources 124 and 924                                                                                      | 16,933,105                 |
| Other Financing Uses 124 and 924                                                                                         | (8,534,311)                |
| Multi-year amounts budgeted in prior years:                                                                              |                            |
| Revenue recognized in current year                                                                                       | 3,177,962                  |
| Expenditures recognized in current year                                                                                  | (3,003,847)                |
| Revenues and other financing sources,<br>other than Bud Ref 124, 924, and multi-year                                     | 1,261                      |
| Expenditures and other financing uses,<br>other than Bud Ref 124, 924, and multi-year                                    | 2,407                      |
| Non-budgeted expenditures:                                                                                               |                            |
| AC 555106 - BU 34101                                                                                                     | (152,489)                  |
| AC series 56xxx and 57xxx                                                                                                | (13,009,838)               |
| Other                                                                                                                    | <u>(87,986)</u>            |
| Total Net Change in Fund Balance as Reported on the Statement<br>of Revenues, Expenditures, and Changes in Fund Balances | <u><u>\$ 3,398,925</u></u> |

*See accompanying Notes to Budgetary Reporting.*

**STATE OF NEW MEXICO**  
**NOTES TO BUDGETARY REPORTING**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**BUDGET PROCESS**

The State Legislature makes annual appropriations, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (Modified Accrual Budgetary Basis) and a financial control system, which permits a budget to actual expenditures comparison. Expenditures may not legally exceed appropriations for each budget at the program appropriation unit level. Program appropriation unit is identified in the State's accounting records and in the budgetary schedules as P-Codes, such as "P523 Child Support Enforcement." Budgeted program appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements represent the final authorized amounts. Administrative line-item expenditures (personnel, contractual, and other) may legally exceed amounts budgeted; however, the total budget category expenditures may not legally exceed the approved budget for the program appropriation. Chapter 6-3, NMSA 1978, sets forth the process used to develop the budget for the State of New Mexico. The process is as follows:

1. No later than September 1, the appropriation request is submitted to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of those hearings are incorporated in the State's General Appropriations Act (the Act).
3. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
4. Not later than May 1, an annual operating budget is submitted to DFA by appropriation unit and object code based upon the appropriation authorized by the Legislature. DFA reviews and approves the operating budget, which becomes effective on July 1.
5. Formal budgetary integration is employed as a management control device during the fiscal year for the General and Special Revenue Funds.

**BUDGETARY BASIS OF ACCOUNTING**

The budget is adopted on the modified accrual basis of accounting, per statute; however, accounts payable which are not recorded in a timely manner (before the statutory fiscal year-end deadline) will not be paid from the current year appropriation, and they are thus not recorded as a budgetary expenditure. Instead, they must be paid out of the next year's budget. This budgetary basis is not consistent with generally accepted accounting principles (GAAP). Balances remaining at the end of the fiscal year from appropriations made from the State General Fund shall revert to the appropriate fund, unless otherwise indicated in the appropriations act or otherwise provided by law. Encumbrances do not carry over to the next year for operating budgets.

**STATE OF NEW MEXICO**  
**NOTES TO BUDGETARY REPORTING**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**MULTIPLE YEAR APPROPRIATION – CAPITAL PROJECTS BUDGETS AND SPECIAL APPROPRIATION BUDGETS**

Budgets for multiple year monies are not made on an annual basis, but are adopted on a project length basis. Budgets for the Capital Projects Fund may be established for periods from two to five years depending on the nature of the project or appropriation. These nonoperating budgets primarily serve as a management control purpose, and because related appropriations are continuing in nature, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided.

**BUDGET TO GAAP RECONCILIATION**

The budgetary comparison schedules of the various funds present comparisons of the original estimated budget and legally adopted budget with actual data on a budgetary basis. Both the budget and actual amounts represent single year activity based on the budget reference assigned to the particular transaction. Since accounting principles applied for the purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a budget to GAAP reconciliation is presented following the budgetary comparison schedules.

In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities for the operating budgets. Expenditures are classified in the financial control system based on whether the appropriation is from the operating or multiple year budgets (special or capital). Expenditures funded by the operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation.

However, in the governmental operating statements, all governmental funds are included, and expenditures are classified according to what was actually purchased. Capital outlays are fixed asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures. Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated.

Because of perspective differences between this budgetary comparison and the general fund statement of revenues, expenditures, and changes in fund balance, this schedule is presented as required supplementary information (RSI.)

The State's component appropriation accounts do not adopt an annual appropriated budget; however, the expenditures of the component appropriations by law must equal the individual amounts appropriated in the various appropriation acts. Other activities designated as nonappropriated (not budgeted) by the Legislature are the Severance Tax Fund, the Land Grant Fund, and the following Enterprise Funds: State Fair Commission, Environment Department, State Infrastructure Bank, and Unemployment Insurance Funds.

**EXCESS OF EXPENSES/EXPENDITURES OVER BUDGET**

For the fiscal year ended June 30, 2024, there were none of the State agency's P-codes reporting expenses/expenditures exceeding budget authority.

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                   | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |              |              |
|---------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                   | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
| Total Pension Liability:                          |                            |              |              |              |              |              |              |              |              |              |
| Service Cost                                      | \$ 507,878                 | \$ 451,586   | \$ 452,128   | \$ 409,242   | \$ 401,166   | \$ 403,879   | \$ 376,310   | \$ 405,561   | \$ 390,221   | \$ 389,053   |
| Interest                                          | 1,753,192                  | 1,672,802    | 1,636,653    | 1,556,071    | 1,547,097    | 1,504,991    | 1,462,669    | 1,452,723    | 1,393,557    | 1,335,950    |
| Benefit Changes                                   | 8,750                      | 30,512       | 3,658        | -            | (710,227)    | -            | -            | -            | -            | -            |
| Difference Between Expected and Actual Experience | 603,837                    | 408,899      | (146,670)    | 310,352      | 213,521      | (54,005)     | 113,712      | (584,186)    | 330,751      | 59,112       |
| Changes of Assumptions                            | 270,278                    | -            | -            | -            | (222)        | -            | 545,510      | (62,778)     | 424,792      | -            |
| Benefit Payments                                  | (1,444,945)                | (1,417,214)  | (1,367,738)  | (1,314,820)  | (1,255,018)  | (1,193,943)  | (1,133,418)  | (1,084,818)  | (1,024,399)  | (966,237)    |
| Refunds of Contributions                          | (52,844)                   | (51,237)     | (57,591)     | (40,354)     | (44,903)     | (54,337)     | (50,288)     | (44,396)     | (44,938)     | (46,010)     |
| Net Change in Total Pension Liability             | 1,646,146                  | 1,095,348    | 520,440      | 920,491      | 151,414      | 606,585      | 1,314,495    | 82,106       | 1,469,984    | 771,868      |
| Total Pension Liability - Beginning               | 24,676,916                 | 23,581,568   | 23,061,128   | 22,140,637   | 21,989,224   | 21,382,639   | 20,068,144   | 19,986,038   | 18,516,054   | 17,744,187   |
| Total Pension Liability - Ending (a)              | 26,323,062                 | 24,676,916   | 23,581,568   | 23,061,128   | 22,140,638   | 21,989,224   | 21,382,639   | 20,068,144   | 19,986,038   | 18,516,055   |
| Plan Net Position:                                |                            |              |              |              |              |              |              |              |              |              |
| Contributions - Employer                          | 521,674                    | 454,462      | 395,408      | 379,185      | 368,425      | 339,676      | 319,499      | 332,473      | 324,752      | 317,164      |
| Contributions - Member                            | 428,675                    | 373,214      | 326,720      | 309,552      | 297,153      | 281,643      | 282,847      | 272,829      | 265,529      | 258,920      |
| Special Fund Appropriation                        | -                          | -            | 2,414        | -            | 55,000       | -            | -            | -            | -            | -            |
| Net Investment Income                             | 1,334,676                  | 898,162      | (745,218)    | 3,799,141    | (223,545)    | 935,561      | 1,004,227    | 1,500,759    | 47,445       | 251,488      |
| Benefit Payments                                  | (1,444,945)                | (1,417,214)  | (1,367,738)  | (1,314,820)  | (1,255,018)  | (1,193,944)  | (1,133,418)  | (1,084,818)  | (1,024,399)  | (966,236)    |
| Administrative Expenses                           | (16,399)                   | (15,594)     | (16,010)     | (12,730)     | (14,318)     | (13,583)     | (12,667)     | (11,506)     | (10,754)     | (9,886)      |
| Refunds of Contributions                          | (52,844)                   | (51,237)     | (57,591)     | (40,354)     | (44,903)     | (54,337)     | (50,288)     | (44,396)     | (44,938)     | (46,010)     |
| Other                                             | 2,335                      | 2,391        | 2,713        | 1,991        | 1,646        | 2,047        | 2,110        | 471          | 12,318       | 25,296       |
| Net Change in Plan Net Position                   | 773,172                    | 244,184      | (1,459,302)  | 3,121,964    | (815,560)    | 297,063      | 412,310      | 965,812      | (430,047)    | (169,264)    |
| Plan Net Position - Beginning                     | 16,598,830                 | 16,354,646   | 17,813,948   | 14,691,984   | 15,507,545   | 15,210,482   | 14,798,917   | 13,826,658   | 14,255,528   | 14,424,793   |
| Prior Period Adjustments                          | -                          | -            | -            | -            | -            | -            | (745)        | 6,447        | 1,177        | -            |
| Plan Net Position - Beginning, Restated           | 16,598,830                 | 16,354,646   | 17,813,948   | 14,691,984   | 15,507,545   | 15,210,482   | 14,798,172   | 13,833,105   | 14,256,705   | 14,424,793   |
| Plan Net Position - Ending (b)                    | 17,372,002                 | 16,598,830   | 16,354,646   | 17,813,948   | 14,691,984   | 15,507,545   | 15,210,482   | 14,798,917   | 13,826,658   | 14,255,529   |
| Net Pension Liability - Ending (a)-(b)            | \$ 8,951,060               | \$ 8,078,086 | \$ 7,226,922 | \$ 5,247,180 | \$ 7,448,653 | \$ 6,481,679 | \$ 6,172,157 | \$ 5,269,227 | \$ 6,159,380 | \$ 4,260,526 |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**JUDICIAL RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                   | Fiscal Year Ended June 30, |            |           |           |            |            |           |           |            |           |
|---------------------------------------------------|----------------------------|------------|-----------|-----------|------------|------------|-----------|-----------|------------|-----------|
|                                                   | 2024                       | 2023       | 2022      | 2021      | 2020       | 2019       | 2018      | 2017      | 2016       | 2015      |
| Total Pension Liability:                          |                            |            |           |           |            |            |           |           |            |           |
| Service Cost                                      | \$ 6,405                   | \$ 5,882   | \$ 3,928  | \$ 6,281  | \$ 5,286   | \$ 4,282   | \$ 4,488  | \$ 5,492  | \$ 3,245   | \$ 3,344  |
| Interest                                          | 12,428                     | 11,928     | 12,276    | 9,424     | 10,211     | 10,341     | 9,867     | 9,066     | 10,238     | 9,900     |
| Difference Between Expected and Actual Experience | 671                        | 8,100      | 3,893     | 4,992     | (3,901)    | 7,420      | (1,358)   | (2,474)   | 4,737      | 755       |
| Changes of Assumptions                            | 8,951                      | 6,085      | 22,932    | (57,672)  | 18,400     | 19,033     | (2,892)   | (17,241)  | 46,155     | -         |
| Benefit Payments                                  | (13,776)                   | (13,297)   | (13,080)  | (12,538)  | (12,013)   | (11,352)   | (10,585)  | (10,096)  | (9,813)    | (9,373)   |
| Refunds of Contributions                          | (97)                       | -          | -         | (1)       | (8)        | (100)      | -         | (11)      | (45)       | (40)      |
| Net Change in Total Pension Liability             | 14,582                     | 18,698     | 29,949    | (49,514)  | 17,975     | 29,624     | (480)     | (15,264)  | 54,517     | 4,586     |
| Total Pension Liability - Beginning               | 222,542                    | 203,844    | 173,895   | 223,409   | 205,435    | 175,811    | 176,291   | 191,555   | 137,038    | 132,452   |
| Total Pension Liability - Ending (a)              | 237,124                    | 222,542    | 203,844   | 173,895   | 223,409    | 205,435    | 175,811   | 176,291   | 191,555    | 137,038   |
| Plan Net Position:                                |                            |            |           |           |            |            |           |           |            |           |
| Contributions - Employer                          | 6,694                      | 6,352      | 25,619    | 5,626     | 4,683      | 4,731      | 4,723     | 4,524     | 4,237      | 4,196     |
| Contributions - Member                            | 2,451                      | 2,286      | 1,956     | 1,838     | 1,783      | 1,692      | 1,632     | 1,636     | 1,582      | 1,579     |
| Net Investment Income                             | 8,665                      | 5,809      | (4,096)   | 21,502    | (1,252)    | 5,528      | 6,020     | 9,012     | 232        | 1,512     |
| Benefit Payments                                  | (13,776)                   | (13,297)   | (13,080)  | (12,538)  | (12,013)   | (11,352)   | (10,585)  | (10,096)  | (9,813)    | (9,373)   |
| Administrative Expenses                           | (97)                       | (89)       | (88)      | (71)      | (82)       | (79)       | (75)      | (69)      | (64)       | (60)      |
| Refunds of Contributions                          | (97)                       | -          | -         | (1)       | (8)        | (100)      | -         | (11)      | (45)       | (40)      |
| Other                                             | -                          | -          | 63        | -         | -          | 10         | -         | -         | 72         | 33        |
| Net Change in Plan Net Position                   | 3,840                      | 1,061      | 10,374    | 16,356    | (6,889)    | 430        | 1,715     | 4,996     | (3,799)    | (2,153)   |
| Plan Net Position - Beginning                     | 112,663                    | 111,602    | 101,228   | 84,872    | 91,761     | 91,331     | 89,616    | 84,932    | 88,989     | 91,142    |
| Prior Period Adjustments                          | -                          | -          | -         | -         | -          | -          | -         | (312)     | (257)      | -         |
| Plan Net Position - Beginning, Restated           | 112,663                    | 111,602    | 101,228   | 84,872    | 91,761     | 91,331     | 89,616    | 84,620    | 88,732     | 91,142    |
| Plan Net Position - Ending (b)                    | 116,503                    | 112,663    | 111,602   | 101,228   | 84,872     | 91,761     | 91,331    | 89,616    | 84,933     | 88,989    |
| Net Pension Liability - Ending (a)-(b)            | \$ 120,621                 | \$ 109,879 | \$ 92,242 | \$ 72,667 | \$ 138,538 | \$ 113,674 | \$ 84,480 | \$ 86,675 | \$ 106,623 | \$ 48,050 |



**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**MAGISTRATE RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                   | Fiscal Year Ended June 30, |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---------------------------------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                   | 2024                       | 2023             | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| <b>Total Pension Liability:</b>                   |                            |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Service Cost                                      | \$ 1,628                   | \$ 2,191         | \$ 1,365         | \$ 1,258         | \$ 1,656         | \$ 1,466         | \$ 1,354         | \$ 1,537         | \$ 1,118         | \$ 948           |
| Interest                                          | 4,154                      | 3,925            | 4,209            | 4,092            | 3,436            | 3,494            | 3,487            | 3,192            | 3,452            | 3,445            |
| Difference Between Expected and Actual Experience | (1,077)                    | 599              | 1,776            | (95)             | (1,286)          | 2,209            | (237)            | (1,539)          | 1,571            | 6,703            |
| Changes of Assumptions                            | 1,351                      | (4,002)          | 12,882           | -                | (18,414)         | 5,255            | 2,874            | (8,114)          | 8,832            | -                |
| Benefit Payments                                  | (5,030)                    | (4,689)          | (4,321)          | (4,294)          | (4,204)          | (4,026)          | (3,951)          | (3,966)          | (3,976)          | (3,956)          |
| Refunds of Contributions                          | (233)                      | (263)            | -                | (50)             | -                | (56)             | (63)             | -                | (15)             | (5)              |
| Net Change in Total Pension Liability             | 793                        | (2,239)          | 15,911           | 911              | (18,812)         | 8,342            | 3,464            | (8,890)          | 10,982           | 7,135            |
| <b>Total Pension Liability - Beginning</b>        | <b>73,201</b>              | <b>75,440</b>    | <b>59,529</b>    | <b>58,618</b>    | <b>77,434</b>    | <b>69,092</b>    | <b>65,628</b>    | <b>74,518</b>    | <b>63,536</b>    | <b>56,401</b>    |
| <b>Total Pension Liability - Ending (a)</b>       | <b>73,994</b>              | <b>73,201</b>    | <b>75,440</b>    | <b>59,529</b>    | <b>58,618</b>    | <b>77,434</b>    | <b>69,092</b>    | <b>65,628</b>    | <b>74,518</b>    | <b>63,536</b>    |
| <b>Plan Net Position:</b>                         |                            |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Contributions - Employer                          | 2,619                      | 2,538            | 2,385            | 2,348            | 1,293            | 1,236            | 1,232            | 1,282            | 1,280            | 937              |
| Contributions - Member                            | 824                        | 751              | 673              | 652              | 650              | 640              | 580              | 603              | 587              | 490              |
| Net Investment Income                             | 2,554                      | 1,775            | (1,470)          | 7,463            | (437)            | 1,938            | 2,156            | 3,290            | 70               | 579              |
| Benefit Payments                                  | (5,030)                    | (4,689)          | (4,321)          | (4,294)          | (4,204)          | (4,026)          | (3,951)          | (3,966)          | (3,977)          | (3,956)          |
| Administrative Expenses                           | (31)                       | (30)             | (32)             | (25)             | (28)             | (28)             | (27)             | (25)             | (24)             | (23)             |
| Refunds of Contributions                          | (233)                      | (262)            | -                | (50)             | -                | (56)             | (63)             | -                | (15)             | (5)              |
| Other                                             | -                          | -                | -                | -                | -                | -                | 14               | 3                | 27               | (19)             |
| Net Change in Plan Net Position                   | 703                        | 83               | (2,765)          | 6,094            | (2,727)          | (296)            | (59)             | 1,187            | (2,052)          | (1,997)          |
| <b>Plan Net Position - Beginning</b>              | <b>32,483</b>              | <b>32,400</b>    | <b>35,165</b>    | <b>29,071</b>    | <b>31,798</b>    | <b>32,094</b>    | <b>32,226</b>    | <b>31,038</b>    | <b>33,187</b>    | <b>35,185</b>    |
| Prior Period Adjustments                          | -                          | -                | -                | -                | -                | -                | (73)             | -                | (98)             | -                |
| Plan Net Position - Beginning, Restated           | 32,483                     | 32,400           | 35,165           | 29,071           | 31,798           | 32,094           | 32,153           | 31,038           | 33,089           | 35,185           |
| <b>Plan Net Position - Ending (b)</b>             | <b>33,186</b>              | <b>32,483</b>    | <b>32,400</b>    | <b>35,165</b>    | <b>29,071</b>    | <b>31,798</b>    | <b>32,094</b>    | <b>32,226</b>    | <b>31,038</b>    | <b>33,187</b>    |
| <b>Net Pension Liability - Ending (a)-(b)</b>     | <b>\$ 40,808</b>           | <b>\$ 40,718</b> | <b>\$ 43,040</b> | <b>\$ 24,364</b> | <b>\$ 29,547</b> | <b>\$ 45,636</b> | <b>\$ 36,998</b> | <b>\$ 33,402</b> | <b>\$ 43,480</b> | <b>\$ 30,349</b> |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                   | Fiscal Year Ended June 30, |             |             |             |             |             |             |             |             |             |
|---------------------------------------------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                                   | 2024                       | 2023        | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
| Total Pension Liability:                          |                            |             |             |             |             |             |             |             |             |             |
| Service Cost                                      | \$ 2,003                   | \$ 2,022    | \$ 2,047    | \$ 2,040    | \$ 2,250    | \$ 2,194    | \$ 2,204    | \$ 2,337    | \$ 1,440    | \$ 1,251    |
| Interest                                          | 3,803                      | 3,799       | 3,823       | 3,663       | 3,715       | 3,594       | 3,555       | 3,584       | 3,376       | 3,105       |
| Difference Between Expected and Actual Experience | (3,296)                    | (2,821)     | (3,306)     | (1,725)     | (2,143)     | (1,573)     | (2,504)     | (4,101)     | (498)       | 874         |
| Changes of Assumptions                            | 633                        | -           | -           | -           | (1,853)     | -           | 1,363       | -           | 1,976       | -           |
| Benefit Payments                                  | (2,949)                    | (2,910)     | (2,847)     | (2,758)     | (2,626)     | (2,457)     | (2,319)     | (222)       | (1,836)     | (1,633)     |
| Refunds of Contributions                          | -                          | -           | -           | -           | -           | -           | -           | (2,031)     | -           | -           |
| Net Change in Total Pension Liability             | 194                        | 90          | (283)       | 1,221       | (655)       | 1,758       | 2,299       | (433)       | 4,458       | 3,597       |
| Total Pension Liability - Beginning               | 52,933                     | 52,843      | 53,126      | 51,905      | 52,560      | 50,802      | 48,503      | 48,936      | 44,478      | 40,881      |
| Total Pension Liability - Ending (a)              | 53,127                     | 52,933      | 52,843      | 53,126      | 51,905      | 52,560      | 50,802      | 48,503      | 48,936      | 44,478      |
| Plan Net Position:                                |                            |             |             |             |             |             |             |             |             |             |
| Contributions - Employer                          | 750                        | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         | 750         |
| Net Investment Income                             | 6,597                      | 4,377       | (3,579)     | 17,950      | (1,057)     | 4,318       | 4,512       | 6,682       | 206         | 1,094       |
| Benefit Payments                                  | (2,949)                    | (2,910)     | (2,847)     | (2,758)     | (2,626)     | (2,457)     | (2,319)     | (2,031)     | (1,835)     | (1,633)     |
| Administrative Expenses                           | (81)                       | (76)        | (77)        | (60)        | (67)        | (63)        | (58)        | (52)        | (47)        | (43)        |
| Other                                             | 1                          | 1           | -           | -           | -           | 1           | 1           | 1           | 51          | 12          |
| Net Change in Plan Net Position                   | 4,318                      | 2,142       | (5,753)     | 15,882      | (3,000)     | 2,549       | 2,886       | 5,350       | (875)       | 180         |
| Plan Net Position - Beginning                     | 81,107                     | 78,965      | 84,718      | 68,836      | 71,836      | 69,287      | 66,399      | 61,049      | 62,103      | 61,923      |
| Prior Period Adjustments                          | -                          | -           | -           | -           | -           | -           | -           | -           | (179)       | -           |
| Plan Net Position - Beginning, Restated           | 81,107                     | 78,965      | 84,718      | 68,836      | 71,836      | 69,287      | 66,399      | 61,049      | 61,924      | 61,923      |
| Plan Net Position - Ending (b)                    | 85,425                     | 81,107      | 78,965      | 84,718      | 68,836      | 71,836      | 69,287      | 66,399      | 61,049      | 62,103      |
| Net Pension Liability - Ending (a)-(b)            | \$ (32,298)                | \$ (28,174) | \$ (26,122) | \$ (31,591) | \$ (16,931) | \$ (19,276) | \$ (18,485) | \$ (17,896) | \$ (12,113) | \$ (17,626) |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                   | Fiscal Year Ended June 30, |                     |                     |                     |                      |                     |                      |                      |                     |                     |
|---------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
|                                                   | 2024                       | 2023                | 2022                | 2021                | 2020                 | 2019                | 2018                 | 2017                 | 2016                | 2015                |
| <b>Total Pension Liability:</b>                   |                            |                     |                     |                     |                      |                     |                      |                      |                     |                     |
| Service Cost                                      | \$ 514,612                 | \$ 456,425          | \$ 431,266          | \$ 916,076          | \$ 388,501           | \$ 523,132          | \$ 494,876           | \$ 357,631           | \$ 356,874          | \$ 346,956          |
| Interest                                          | 1,713,568                  | 1,646,035           | 1,610,271           | 1,288,041           | 1,501,193            | 1,396,376           | 1,375,676            | 1,424,586            | 1,367,647           | 1,321,048           |
| Benefit Changes                                   | -                          | -                   | -                   | -                   | -                    | (4,381,849)         | -                    | -                    | -                   | -                   |
| Difference Between Expected and Actual Experience | 889,215                    | 242,880             | (196,600)           | 685,735             | 177,584              | (112,652)           | (184,090)            | (207,789)            | 42,492              | (86,722)            |
| Changes of Assumptions                            | (329,582)                  | -                   | -                   | (11,462,883)        | 11,316,076           | -                   | 659,788              | 4,371,800            | -                   | 299,085             |
| Benefit Payments                                  | (1,447,687)                | (1,371,674)         | (1,321,515)         | (1,263,064)         | (1,220,261)          | (1,164,645)         | (1,107,441)          | (1,052,675)          | (1,012,731)         | (957,185)           |
| Net Change in Total Pension Liability             | 1,340,126                  | 973,666             | 523,422             | (9,836,096)         | 12,163,093           | (3,739,638)         | 1,238,809            | 4,893,553            | 754,282             | 923,182             |
| <b>Total Pension Liability - Beginning</b>        | <b>24,946,080</b>          | <b>23,972,414</b>   | <b>23,448,992</b>   | <b>33,285,087</b>   | <b>21,121,996</b>    | <b>24,861,634</b>   | <b>23,622,825</b>    | <b>18,729,272</b>    | <b>17,974,989</b>   | <b>17,051,807</b>   |
| <b>Total Pension Liability - Ending (a)</b>       | <b>26,286,206</b>          | <b>24,946,080</b>   | <b>23,972,414</b>   | <b>23,448,992</b>   | <b>33,285,087</b>    | <b>21,121,996</b>   | <b>24,861,634</b>    | <b>23,622,825</b>    | <b>18,729,272</b>   | <b>17,974,989</b>   |
| <b>Plan Net Position:</b>                         |                            |                     |                     |                     |                      |                     |                      |                      |                     |                     |
| Contributions - Employer                          | 770,384                    | 662,750             | 511,944             | 452,872             | 451,556              | 406,549             | 388,724              | 395,844              | 396,989             | 395,130             |
| Contributions - Member                            | 437,997                    | 395,815             | 347,917             | 330,067             | 329,725              | 303,442             | 287,324              | 292,809              | 295,946             | 294,561             |
| Net Investment Income                             | 1,489,846                  | 1,036,752           | (336,188)           | 3,834,540           | (75,980)             | 1,037,882           | 900,132              | 1,350,389            | 364,571             | 429,738             |
| Benefit Payments                                  | (1,447,687)                | (1,371,674)         | (1,321,515)         | (1,263,064)         | (1,220,261)          | (1,164,645)         | (1,107,441)          | (1,052,675)          | (1,012,731)         | (957,183)           |
| Administrative Expenses                           | (14,124)                   | (12,551)            | (12,982)            | (12,088)            | (10,878)             | (9,326)             | (9,908)              | (9,848)              | (9,661)             | (10,598)            |
| Other                                             | -                          | -                   | -                   | -                   | 343                  | 487                 | 2,116                | -                    | -                   | -                   |
| Net Change in Plan Net Position                   | 1,236,416                  | 711,092             | (810,824)           | 3,342,327           | (525,494)            | 574,390             | 460,947              | 976,519              | 35,115              | 151,648             |
| <b>Plan Net Position - Beginning</b>              | <b>16,261,794</b>          | <b>15,550,702</b>   | <b>16,361,526</b>   | <b>13,019,199</b>   | <b>13,544,692</b>    | <b>12,970,303</b>   | <b>12,509,357</b>    | <b>11,532,839</b>    | <b>11,497,724</b>   | <b>11,346,076</b>   |
| <b>Plan Net Position - Ending (b)</b>             | <b>17,498,210</b>          | <b>16,261,794</b>   | <b>15,550,702</b>   | <b>16,361,526</b>   | <b>13,019,199</b>    | <b>13,544,692</b>   | <b>12,970,303</b>    | <b>12,509,357</b>    | <b>11,532,839</b>   | <b>11,497,724</b>   |
| <b>Net Pension Liability - Ending (a)-(b)</b>     | <b>\$ 8,787,996</b>        | <b>\$ 8,684,286</b> | <b>\$ 8,421,712</b> | <b>\$ 7,087,466</b> | <b>\$ 20,265,891</b> | <b>\$ 7,577,302</b> | <b>\$ 11,891,331</b> | <b>\$ 11,113,468</b> | <b>\$ 7,196,433</b> | <b>\$ 6,477,266</b> |

**STATE OF NEW MEXICO**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

|                                                   | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |
|---------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                   | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         |
| Total OPEB Liability:                             |                            |              |              |              |              |              |              |              |
| Service Cost                                      | \$ 76,343                  | \$ 91,535    | \$ 155,315   | \$ 171,993   | \$ 123,905   | \$ 156,598   | \$ 188,372   | \$ 265,229   |
| Interest                                          | 190,979                    | 190,483      | 163,469      | 147,283      | 169,239      | 208,666      | 199,584      | 187,563      |
| Benefit Changes                                   | (13,122)                   | -            | -            | 802          | 6,624        | 14,004       | -            | -            |
| Difference Between Expected and Actual Experience | (30,798)                   | (179,638)    | (36,122)     | 57,770       | (150,535)    | (754,197)    | (145,524)    | (210,436)    |
| Changes of Assumptions                            | 206,617                    | (430,050)    | (1,125,436)  | (894,202)    | 989,793      | (535,457)    | (225,363)    | (958,756)    |
| Claims and Premiums                               | (112,915)                  | (89,966)     | (99,777)     | (102,376)    | (109,584)    | (96,487)     | (122,199)    | (113,698)    |
| Net Change in Total OPEB Liability                | 317,104                    | (417,636)    | (942,551)    | (618,731)    | 1,029,442    | (1,006,873)  | (105,130)    | (830,098)    |
| Total OPEB Liability - Beginning                  | 3,049,663                  | 3,467,299    | 4,409,850    | 5,028,581    | 3,999,139    | 5,006,012    | 5,111,142    | 5,941,240    |
| Total OPEB Liability - Ending (a)                 | 3,366,767                  | 3,049,663    | 3,467,299    | 4,409,850    | 5,028,581    | 3,999,139    | 5,006,012    | 5,111,142    |
| Plan Net Position:                                |                            |              |              |              |              |              |              |              |
| Contributions - Employer                          | 238,504                    | 231,793      | 231,293      | 96,585       | 96,504       | 88,516       | 85,402       | 85,858       |
| Contributions - Member                            | 127,361                    | 114,542      | 101,585      | 225,347      | 226,384      | 216,528      | 210,650      | 196,393      |
| Net Investment Income                             | 115,267                    | 71,822       | (49,544)     | 217,737      | 10,837       | 41,663       | 49,758       | 67,760       |
| Claims and Premiums                               | (328,749)                  | (335,094)    | (323,816)    | (315,956)    | (316,936)    | (296,417)    | (321,480)    | (294,393)    |
| Administrative Expenses                           | (4,473)                    | (4,002)      | (3,467)      | (3,404)      | (3,687)      | (4,148)      | (3,672)      | (4,180)      |
| Other                                             | 87,330                     | 111,971      | 80,144       | 69,519       | 59,821       | 52,949       | 57,530       | 55,556       |
| Net Change in Plan Net Position                   | 235,240                    | 191,032      | 36,195       | 289,828      | 72,923       | 99,093       | 78,188       | 106,994      |
| Plan Net Position - Beginning                     | 1,346,728                  | 1,155,696    | 1,119,501    | 829,673      | 756,750      | 657,657      | 579,469      | 472,475      |
| Plan Net Position - Ending (b)                    | 1,581,968                  | 1,346,728    | 1,155,696    | 1,119,501    | 829,673      | 756,750      | 657,657      | 579,469      |
| Net OPEB Liability - Ending (a)-(b)               | \$ 1,784,799               | \$ 1,702,935 | \$ 2,311,603 | \$ 3,290,349 | \$ 4,198,908 | \$ 3,242,389 | \$ 4,348,355 | \$ 4,531,673 |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                            | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                            | 2024                       | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
| Total Pension Liability                                    | \$ 26,323,061              | \$ 24,676,915       | \$ 23,581,568       | \$ 23,061,128       | \$ 22,140,637       | \$ 21,989,225       | \$ 21,382,639       | \$ 20,068,143       | \$ 19,886,038       | \$ 18,516,055       |
| Plan Net Position                                          | 17,372,001                 | 16,598,830          | 16,354,647          | 17,813,948          | 14,691,984          | 15,507,546          | 15,210,483          | 14,798,918          | 13,826,658          | 14,255,529          |
| Net Pension Liability                                      | <u>\$ 8,951,060</u>        | <u>\$ 8,078,085</u> | <u>\$ 7,226,921</u> | <u>\$ 5,247,180</u> | <u>\$ 7,448,653</u> | <u>\$ 6,481,679</u> | <u>\$ 6,172,156</u> | <u>\$ 5,269,225</u> | <u>\$ 6,159,380</u> | <u>\$ 4,260,526</u> |
| Percentage of Plan Net Position to Total Pension Liability | 66.00%                     | 67.26%              | 69.35%              | 77.25%              | 66.36%              | 70.52%              | 71.13%              | 73.74%              | 69.18%              | 76.99%              |
| Covered Payroll                                            | \$ 2,887,875               | \$ 2,537,115        | \$ 2,460,174        | \$ 2,482,249        | \$ 2,339,923        | \$ 2,287,712        | \$ 2,265,036        | \$ 2,193,889        | \$ 2,326,943        | \$ 2,248,254        |
| Net Pension Liability as a Percentage of Covered Payroll   | 309.95%                    | 318.40%             | 293.76%             | 211.39%             | 318.33%             | 283.33%             | 272.50%             | 240.18%             | 264.70%             | 189.50%             |

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET PENSION LIABILITY**  
**JUDICIAL RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                            | Fiscal Year Ended June 30, |            |            |            |            |            |            |            |            |            |
|------------------------------------------------------------|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                                            | 2024                       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       |
| Total Pension Liability                                    | \$ 237,123                 | \$ 222,541 | \$ 203,842 | \$ 173,894 | \$ 223,409 | \$ 205,435 | \$ 175,810 | \$ 176,291 | \$ 191,555 | \$ 137,038 |
| Plan Net Position                                          | 116,500                    | 112,661    | 111,600    | 101,227    | 84,871     | 91,760     | 91,331     | 89,616     | 84,932     | 88,988     |
| Net Pension Liability                                      | \$ 120,623                 | \$ 109,880 | \$ 92,242  | \$ 72,667  | \$ 138,538 | \$ 113,675 | \$ 84,479  | \$ 86,675  | \$ 106,623 | \$ 48,050  |
| Percentage of Plan Net Position to Total Pension Liability | 49.13%                     | 50.62%     | 54.75%     | 58.21%     | 37.99%     | 44.67%     | 51.95%     | 50.83%     | 44.34%     | 64.94%     |
| Covered Payroll                                            | \$ 22,364                  | \$ 21,443  | \$ 17,681  | \$ 16,985  | \$ 16,090  | \$ 16,292  | \$ 15,126  | \$ 15,493  | \$ 15,612  | \$ 15,084  |
| Net Pension Liability as a Percentage of Covered Payroll   | 539.36%                    | 512.43%    | 521.70%    | 427.83%    | 861.00%    | 697.74%    | 558.50%    | 559.45%    | 682.95%    | 318.54%    |

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET PENSION LIABILITY**  
**MAGISTRATE RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                            | Fiscal Year Ended June 30, |           |           |           |           |           |           |           |           |           |
|------------------------------------------------------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                            | 2024                       | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
| Total Pension Liability                                    | \$ 73,994                  | \$ 73,201 | \$ 75,440 | \$ 59,529 | \$ 58,618 | \$ 77,431 | \$ 69,090 | \$ 65,628 | \$ 74,519 | \$ 63,586 |
| Plan Net Position                                          | 33,184                     | 32,481    | 32,399    | 35,165    | 29,071    | 31,798    | 32,093    | 32,225    | 31,038    | 33,187    |
| Net Pension Liability                                      | \$ 40,810                  | \$ 40,720 | \$ 43,041 | \$ 24,364 | \$ 29,547 | \$ 45,633 | \$ 36,997 | \$ 33,403 | \$ 43,481 | \$ 30,349 |
| Percentage of Plan Net Position to Total Pension Liability | 44.85%                     | 44.37%    | 42.95%    | 59.07%    | 49.59%    | 41.07%    | 46.45%    | 49.10%    | 41.65%    | 52.23%    |
| Covered Payroll                                            | \$ 6,550                   | \$ 7,212  | \$ 6,289  | \$ 6,092  | \$ 6,025  | \$ 6,025  | \$ 5,638  | \$ 5,633  | \$ 5,243  | \$ 5,066  |
| Net Pension Liability as a Percentage of Covered Payroll   | 623.05%                    | 564.61%   | 684.39%   | 399.93%   | 490.39%   | 757.37%   | 656.17%   | 592.97%   | 829.29%   | 599.09%   |

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET PENSION LIABILITY**  
**VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                            | Fiscal Year Ended June 30, |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|------------------------------------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                            | 2024                       | 2023               | 2022               | 2021               | 2020               | 2019               | 2018               | 2017               | 2016               | 2015               |
| Total Pension Liability                                    | \$ 53,126                  | \$ 52,932          | \$ 52,842          | \$ 53,126          | \$ 51,905          | \$ 52,561          | \$ 50,802          | \$ 48,503          | \$ 48,936          | \$ 44,478          |
| Plan Net Position                                          | 85,426                     | 81,108             | 78,966             | 84,718             | 68,837             | 71,836             | 69,287             | 66,401             | 61,050             | 62,103             |
| Net Pension Liability                                      | <u>\$ (32,300)</u>         | <u>\$ (28,176)</u> | <u>\$ (26,123)</u> | <u>\$ (31,591)</u> | <u>\$ (16,932)</u> | <u>\$ (19,275)</u> | <u>\$ (18,485)</u> | <u>\$ (17,898)</u> | <u>\$ (12,114)</u> | <u>\$ (17,625)</u> |
| Percentage of Plan Net Position to Total Pension Liability | 160.80%                    | 153.23%            | 149.44%            | 159.47%            | 132.62%            | 136.67%            | 136.39%            | 136.90%            | 124.76%            | 139.63%            |
| Covered Payroll                                            | N/A                        | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |
| Net Pension Liability as a Percentage of Covered Payroll   | N/A                        | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |



**STATE OF NEW MEXICO**  
**SCHEDULE OF NET PENSION LIABILITY**  
**EDUCATIONAL EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                            | Fiscal Year Ended June 30, |                     |                     |                     |                      |                     |                      |                      |                     |                     |
|------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
|                                                            | 2024                       | 2023                | 2022                | 2021                | 2020                 | 2019                | 2018                 | 2017                 | 2016                | 2015                |
| Total Pension Liability                                    | \$ 26,286,206              | \$ 24,946,080       | \$ 23,972,414       | \$ 23,448,992       | \$ 33,285,087        | \$ 21,121,994       | \$ 24,861,632        | \$ 23,622,824        | \$ 18,729,271       | \$ 17,974,989       |
| Plan Net Position                                          | 17,498,210                 | 16,261,794          | 15,550,702          | 16,361,526          | 13,019,197           | 13,544,692          | 12,970,301           | 12,509,356           | 11,532,838          | 11,497,723          |
| Net Pension Liability                                      | <u>\$ 8,787,996</u>        | <u>\$ 8,684,286</u> | <u>\$ 8,421,712</u> | <u>\$ 7,087,466</u> | <u>\$ 20,265,890</u> | <u>\$ 7,577,302</u> | <u>\$ 11,891,331</u> | <u>\$ 11,113,468</u> | <u>\$ 7,196,433</u> | <u>\$ 6,477,266</u> |
| Percentage of Plan Net Position to Total Pension Liability | 66.57%                     | 65.19%              | 64.87%              | 69.77%              | 39.11%               | 64.13%              | 52.17%               | 52.95%               | 61.58%              | 63.97%              |
| Covered Payroll                                            | \$ 3,992,086               | \$ 3,645,973        | \$ 3,214,178        | \$ 3,057,979        | \$ 3,048,404         | \$ 2,787,686        | \$ 2,678,215         | \$ 2,728,362         | \$ 2,740,527        | \$ 2,730,320        |
| Net Pension Liability as a Percentage of Covered Payroll   | 220.14%                    | 238.19%             | 262.02%             | 231.77%             | 664.80%              | 270.84%             | 444.00%              | 407.33%              | 262.59%             | 237.23%             |

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET OPEB LIABILITY**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                                       | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |
|-------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                       | 2024                       | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                |
| Total OPEB Liability                                  |                            |                     |                     |                     |                     |                     |                     |                     |
| Plan Net Position                                     | \$ 3,366,767               | \$ 3,049,663        | \$ 3,467,299        | \$ 4,409,850        | \$ 5,028,581        | \$ 3,999,138        | \$ 5,006,012        | \$ 5,111,142        |
|                                                       | 1,581,968                  | 1,346,728           | 1,155,696           | 1,119,501           | 829,673             | 756,749             | 657,657             | 579,469             |
| Net OPEB Liability                                    | <u>\$ 1,784,799</u>        | <u>\$ 1,702,935</u> | <u>\$ 2,311,603</u> | <u>\$ 3,290,349</u> | <u>\$ 4,198,908</u> | <u>\$ 3,242,389</u> | <u>\$ 4,348,355</u> | <u>\$ 4,531,673</u> |
| Percentage of Plan Net Position to                    |                            |                     |                     |                     |                     |                     |                     |                     |
| Total OPEB Liability                                  | 46.99%                     | 44.16%              | 33.33%              | 25.39%              | 16.50%              | 18.92%              | 13.14%              | 11.34%              |
| Covered Payroll                                       | \$ 5,609,137               | \$ 4,952,013        | \$ 4,745,116        | \$ 4,614,244        | \$ 4,298,116        | \$ 4,172,929        | \$ 4,290,617        | \$ 4,165,647        |
| Net OPEB Liability as a Percentage of Covered Payroll | 31.82%                     | 34.39%              | 48.72%              | 71.31%              | 97.69%              | 77.70%              | 101.35%             | 108.79%             |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO  
SCHEDULE OF NET OPEB LIABILITY  
THE UNIVERSITY OF NEW MEXICO  
LAST EIGHT YEARS\*  
(IN THOUSANDS)**

|                                                                             | Fiscal Year Ended June 30, |            |            |            |            |            |            |            |
|-----------------------------------------------------------------------------|----------------------------|------------|------------|------------|------------|------------|------------|------------|
|                                                                             | 2024                       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       |
| Total OPEB Liability:                                                       |                            |            |            |            |            |            |            |            |
| Service Cost                                                                | \$ 2,128                   | \$ 2,180   | \$ 1,742   | \$ 1,891   | \$ 3,267   | \$ 3,501   | \$ 3,526   | \$ 3,019   |
| Interest                                                                    | 11,753                     | 11,248     | 9,366      | 892        | 10,640     | 10,007     | 9,469      | 9,058      |
| Differences Between Expected and Actual Experience                          | (26,284)                   | -          | 23,091     | -          | (38,575)   | -          | -          | -          |
| Changes of Assumptions                                                      | 36,580                     | (3,057)    | 4,104      | (6,534)    | 7,729      | (7,105)    | (6,444)    | 7,114      |
| Benefit Payments                                                            | (5,372)                    | (5,415)    | (5,444)    | (5,296)    | 5,298      | (4,913)    | (4,841)    | (4,818)    |
| Net Change in Total OPEB Liability                                          | 18,805                     | 4,956      | 32,859     | (1,018)    | (22,236)   | 1,490      | 1,710      | 14,373     |
| Total OPEB Liability - Beginning                                            | 170,850                    | 165,894    | 133,035    | 134,053    | 156,289    | 154,799    | 153,089    | 138,715    |
| Total OPEB Liability- Ending (a)                                            | 189,655                    | 170,850    | 165,894    | 133,035    | 134,053    | 156,289    | 154,799    | 153,089    |
| Plan Fiduciary Net Position:                                                |                            |            |            |            |            |            |            |            |
| Contributions - Employer                                                    | 7,302                      | 7,383      | 7,490      | 7,460      | 7,513      | 7,322      | 7,467      | 7,675      |
| Contributions - Member                                                      | 1,930                      | 1,967      | 2,047      | 2,164      | 2,215      | 2,408      | 2,625      | 2,856      |
| Net investment Income                                                       | 5,364                      | (10,734)   | 11,408     | 1,854      | 2,111      | 2,080      | 1,615      | 895        |
| Benefit Payments                                                            | (5,372)                    | (5,415)    | (5,444)    | (5,296)    | (5,298)    | (4,913)    | (4,841)    | (4,818)    |
| Administrative Expense                                                      | (7)                        | (6)        | (9)        | (3)        | (5)        | (5)        | -          | -          |
| Net Change in Plan Fiduciary Net Position                                   | 9,217                      | (6,805)    | 15,492     | 6,179      | 6,536      | 6,892      | 6,866      | 6,608      |
| Plan Fiduciary Net Position - Beginning                                     | 52,207                     | 59,012     | 43,520     | 37,341     | 30,805     | 23,913     | 17,045     | 10,435     |
| Plan Fiduciary Net Position- Ending (b)                                     | 61,424                     | 52,207     | 59,012     | 43,520     | 37,341     | 30,805     | 23,913     | 17,045     |
| University's Net OPEB Liability - Ending (a)-(b)                            | \$ 128,231                 | \$ 118,643 | \$ 106,882 | \$ 89,515  | \$ 96,712  | \$ 125,484 | \$ 130,886 | \$ 136,044 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability     | 32.39%                     | 30.56%     | 35.57%     | 32.71%     | 27.86%     | 19.71%     | 15.45%     | 11.13%     |
| Covered-Employee Payroll                                                    | \$ 257,325                 | \$ 262,303 | \$ 272,863 | \$ 288,544 | \$ 295,345 | \$ 321,166 | \$ 350,452 | \$ 383,432 |
| University's net OPEB Liability as a Percentage of Covered-Employee Payroll | 49.83%                     | 45.23%     | 39.17%     | 31.02%     | 32.75%     | 39.07%     | 37.35%     | 35.48%     |

Notes to the Schedule:

Benefit Changes: None

Differences Between Expected and Actual Experience : There is no change in the Total OPEB Liability from June 30, 2021 to June 30, 2022 due to differences in expected and actual experience. The \$26,283,900 decrease in liability from June 30, 2022 to June 30, 2023 is due to changes in the census, claims, and premiums experience.

Changes in Assumptions : The \$3,057,100 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the increase in the assumed discount rate from 6.80% to 6.90% as of the respective measurement dates. The \$36,580,100 increase in the liability from June 30, 2022 to June 30, 2023 is due to the decrease in the assumed discount rate from 6.90% to 5.85% as of the respective measurement dates, as well as updates to the trend and mortality assumptions.

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET OPEB LIABILITY**  
**NEW MEXICO STATE UNIVERSITY**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

|                                                                             | Fiscal Year Ending June 30, |                   |                   |                   |                   |                   |                   |
|-----------------------------------------------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                             | 2024                        | 2023              | 2022              | 2021              | 2020              | 2019              | 2018              |
| <b>Total OPEB Liability:</b>                                                |                             |                   |                   |                   |                   |                   |                   |
| Service Cost                                                                | \$ 4,104                    | \$ 3,955          | \$ 6,726          | \$ 6,497          | \$ 5,787          | \$ 5,127          | \$ 4,936          |
| Interest                                                                    | 4,827                       | 4,627             | 3,802             | 3,745             | 5,208             | 5,268             | 5,291             |
| Current Recognized Deferred Outflows/(Inflows):                             |                             |                   |                   |                   |                   |                   |                   |
| Difference Between Expected and Actual Experience                           | (5,184)                     | -                 | (20,103)          | -                 | (13,724)          | -                 | -                 |
| Changes in Assumptions or Other Inputs                                      | 10,288                      | (1,882)           | (27,754)          | 1,340             | 28,160            | 7,135             | (5,357)           |
| Benefit Payments                                                            | (5,031)                     | (5,561)           | (4,845)           | (5,718)           | (5,274)           | (5,758)           | (5,523)           |
| Net Change in Total OPEB Liability                                          | 9,004                       | 1,139             | (42,174)          | 5,864             | 20,157            | 11,772            | (653)             |
| Total OPEB Liability - Beginning                                            | 130,658                     | 129,519           | 171,693           | 165,829           | 145,672           | 133,899           | 134,552           |
| Total OPEB Liability - Ending                                               | <u>\$ 139,662</u>           | <u>\$ 130,658</u> | <u>\$ 129,519</u> | <u>\$ 171,693</u> | <u>\$ 165,829</u> | <u>\$ 145,672</u> | <u>\$ 133,899</u> |
| Covered-Employee Payroll                                                    | \$ 111,227                  | \$ 119,786        | \$ 116,865        | \$ 135,947        | \$ 131,987        | \$ 153,961        | \$ 150,205        |
| University's Net OPEB Liability as a Percentage of Covered-Employee Payroll | 126%                        | 109%              | 111%              | 126%              | 126%              | 95%               | 89%               |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF NET OPEB LIABILITY**  
**NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                                                             | Fiscal Year Ended June 30, |           |           |           |           |           |           |           |
|-----------------------------------------------------------------------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                                             | 2024                       | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      |
| Total OPEB Liability:                                                       |                            |           |           |           |           |           |           |           |
| Service Cost                                                                | \$ 3,561                   | \$ 5,036  | \$ 2,993  | \$ 2,182  | \$ 1,999  | \$ 2,317  | \$ 2,897  | \$ 2,149  |
| Interest Cost                                                               | 2,013                      | 1,488     | 1,377     | 1,388     | 1,518     | 1,377     | 1,225     | 1,194     |
| Differences Between Expected and Actual Experience                          | (6,434)                    | -         | 12,357    | -         | (5,898)   | -         | -         | -         |
| Changes of Assumptions                                                      | 1,032                      | (15,164)  | 7,720     | 6,895     | 2,050     | (1,486)   | (3,354)   | 3,706     |
| Benefit Payments                                                            | (1,615)                    | (1,545)   | (1,477)   | (1,273)   | (61)      | (649)     | (1,490)   | (930)     |
| Net Change in Total OPEB Liability                                          | (1,443)                    | (10,185)  | 22,970    | 9,192     | (392)     | 1,559     | (922)     | 6,119     |
| Total OPEB Liability- Beginning                                             | 54,108                     | 64,293    | 41,323    | 32,131    | 32,523    | 30,964    | 31,886    | 25,765    |
| Total OPEB Liability- Ending (a)                                            | 52,665                     | 54,108    | 64,293    | 41,323    | 32,131    | 32,523    | 30,964    | 31,886    |
| Plan Fiduciary Net Position:                                                |                            |           |           |           |           |           |           |           |
| Contributions - Employer                                                    | 755                        | 803       | 689       | 705       | 2,239     | 3,997     | 4,998     | 4,936     |
| Contributions - Member                                                      | 813                        | 780       | 735       | 650       | 1,632     | 3,386     | 3,706     | 3,628     |
| Net Investment Income                                                       | 117                        | (294)     | 715       | 85        | 149       | 173       | 208       | 29        |
| Benefit Payments                                                            | (1,615)                    | (1,544)   | (1,477)   | (1,273)   | (61)      | (649)     | (1,490)   | (930)     |
| Administrative Expense                                                      | (149)                      | (126)     | (97)      | (88)      | (306)     | (359)     | (378)     | (388)     |
| Other                                                                       | 224                        | (280)     | 147       | 6         | (3,714)   | (5,899)   | (6,132)   | (5,963)   |
| Net Change in Plan Fiduciary Net Position                                   | 145                        | (661)     | 712       | 85        | (61)      | 649       | 912       | 1,312     |
| Plan Fiduciary Net Position - Beginning                                     | 4,379                      | 5,040     | 4,328     | 4,243     | 4,304     | 3,655     | 2,743     | 1,431     |
| Plan Fiduciary Net Position - Ending (b)                                    | 4,524                      | 4,379     | 5,040     | 4,328     | 4,243     | 4,304     | 3,655     | 2,743     |
| University's Net OPEB Liability - Ending (a)-(b)                            | \$ 48,141                  | \$ 49,729 | \$ 59,253 | \$ 36,995 | \$ 27,888 | \$ 28,219 | \$ 27,309 | \$ 29,143 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability     | 8.6%                       | 8.1%      | 7.8%      | 10.5%     | 13.2%     | 13.2%     | 11.8%     | 8.6%      |
| Covered-Employee Payroll                                                    | \$ 56,944                  | \$ 50,301 | \$ 48,653 | \$ 30,619 | \$ 29,916 | \$ 28,337 | \$ 28,142 | \$ 27,958 |
| University's Net OPEB Liability as a Percentage of Covered-Employee Payroll | 85%                        | 99%       | 122%      | 121%      | 93%       | 100%      | 97%       | 104%      |

Notes to the Schedule:

Benefits Changes: None

Changes in Assumptions: The \$9,542,577 decrease in the liability from June 30, 2022 to June 30, 2023 is due mainly to the increase in the assumed discount rate, changes to the mortality table and trend rates.

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                        | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |              |              |
|--------------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                        | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
| Statutory Required Contributions                       | \$ 657,561                 | \$ 599,244   | \$ 531,398   | \$ 379,185   | \$ 368,425   | \$ 339,676   | \$ 319,499   | \$ 332,473   | \$ 324,752   | \$ 317,164   |
| Actual Employer Contributions                          | 521,674                    | 454,462      | 395,408      | 379,185      | 368,425      | 339,676      | 319,499      | 332,473      | 324,752      | 317,164      |
| Annual Contribution Deficiency                         | \$ 135,887                 | \$ 144,782   | \$ 135,990   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Covered Payroll                                        | \$ 2,887,875               | \$ 2,537,115 | \$ 2,460,174 | \$ 2,482,249 | \$ 2,339,923 | \$ 2,287,712 | \$ 2,265,036 | \$ 2,193,869 | \$ 2,326,943 | \$ 2,248,254 |
| Annual Contribution as a Percentage of Covered Payroll | 18.06%                     | 17.91%       | 16.07%       | 15.28%       | 15.75%       | 14.85%       | 14.11%       | 15.15%       | 13.96%       | 14.11%       |

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION**  
**JUDICIAL RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                        | Fiscal Year Ended June 30, |           |             |           |           |           |           |           |           |           |
|--------------------------------------------------------|----------------------------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                        | 2024                       | 2023      | 2022        | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
| Statutory Required Contributions                       | \$ 7,463                   | \$ 7,186  | \$ 7,205    | \$ 5,858  | \$ 6,045  | \$ 5,881  | \$ 4,908  | \$ 4,975  | \$ 4,816  | \$ 4,919  |
| Actual Employer Contributions                          | 6,694                      | 6,352     | 25,619      | 5,626     | 4,683     | 4,731     | 4,723     | 4,524     | 4,237     | 4,196     |
| Annual Contribution Deficiency (Excess)                | \$ 769                     | \$ 834    | \$ (18,414) | \$ 232    | \$ 1,362  | \$ 1,150  | \$ 185    | \$ 451    | \$ 579    | \$ 723    |
| Covered Payroll                                        | \$ 22,364                  | \$ 21,443 | \$ 17,681   | \$ 16,985 | \$ 16,090 | \$ 16,292 | \$ 15,126 | \$ 15,493 | \$ 15,612 | \$ 15,084 |
| Annual Contribution as a Percentage of Covered Payroll | 29.93%                     | 29.62%    | 144.90%     | 33.12%    | 29.11%    | 29.04%    | 31.22%    | 29.20%    | 27.14%    | 27.82%    |

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION**  
**MAGISTRATE RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                        | Fiscal Year Ended June 30, |               |              |                |               |               |               |               |               |                 |
|--------------------------------------------------------|----------------------------|---------------|--------------|----------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                                                        | 2024                       | 2023          | 2022         | 2021           | 2020          | 2019          | 2018          | 2017          | 2016          | 2015            |
| Statutory Required Contributions                       | \$ 2,530                   | \$ 2,724      | \$ 2,396     | \$ 2,306       | \$ 1,923      | \$ 1,862      | \$ 1,588      | \$ 1,576      | \$ 1,463      | \$ 1,967        |
| Actual Employer Contributions                          | 2,619                      | 2,538         | 2,385        | 2,348          | 1,293         | 1,236         | 1,232         | 1,282         | 1,280         | 937             |
| Annual Contribution Deficiency (Excess)                | <u>\$ (89)</u>             | <u>\$ 186</u> | <u>\$ 11</u> | <u>\$ (42)</u> | <u>\$ 630</u> | <u>\$ 626</u> | <u>\$ 356</u> | <u>\$ 294</u> | <u>\$ 183</u> | <u>\$ 1,030</u> |
| Covered Payroll                                        | \$ 6,550                   | \$ 7,212      | \$ 6,289     | \$ 6,092       | \$ 6,025      | \$ 6,025      | \$ 5,638      | \$ 5,633      | \$ 5,243      | \$ 5,066        |
| Annual Contribution as a Percentage of Covered Payroll | 39.97%                     | 35.18%        | 37.91%       | 38.53%         | 21.45%        | 20.52%        | 21.85%        | 22.76%        | 24.42%        | 18.49%          |



**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION**  
**VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                        | Fiscal Year Ended June 30, |        |        |        |        |        |        |        |        |        |
|--------------------------------------------------------|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                        | 2024                       | 2023   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| Statutory Required Contributions                       | \$ 750                     | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Actual Employer Contributions                          | 750                        | 750    | 750    | 750    | 750    | 750    | 750    | 750    | 750    | 750    |
| Annual Contribution Deficiency                         | \$ -                       | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   |
| Covered Payroll                                        | N/A                        | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    |
| Annual Contribution as a Percentage of Covered Payroll | N/A                        | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    |

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION**  
**EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                        | Fiscal Year        |                  |                   |                   |                   |                   |                   |                  |                  |                  |
|--------------------------------------------------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
|                                                        | 2024               | 2023             | 2022              | 2021              | 2020              | 2019              | 2018              | 2017             | 2016             | 2015             |
| Statutory Required Contributions                       | \$ 732,010         | \$ 690,316       | \$ 627,461        | \$ 656,732        | \$ 586,452        | \$ 587,331        | \$ 546,593        | \$ 477,840       | \$ 465,341       | \$ 450,951       |
| Actual Employer Contributions                          | 770,384            | 662,750          | 511,944           | 452,872           | 451,556           | 406,549           | 388,724           | 395,844          | 396,989          | 395,130          |
| Annual Contribution Deficiency (Excess)                | <u>\$ (38,374)</u> | <u>\$ 27,566</u> | <u>\$ 115,517</u> | <u>\$ 203,860</u> | <u>\$ 134,895</u> | <u>\$ 180,782</u> | <u>\$ 157,869</u> | <u>\$ 81,996</u> | <u>\$ 68,352</u> | <u>\$ 55,821</u> |
| Covered Payroll                                        | \$ 3,992,086       | \$ 3,645,973     | \$ 3,214,178      | \$ 3,057,979      | \$ 3,048,404      | \$ 2,797,686      | \$ 2,678,215      | \$ 2,728,362     | \$ 2,740,527     | \$ 2,730,320     |
| Annual Contribution as a Percentage of Covered Payroll | 19.30%             | 18.18%           | 15.93%            | 14.81%            | 14.81%            | 14.53%            | 14.51%            | 14.51%           | 14.49%           | 14.47%           |

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST EIGHT YEARS**  
**(IN THOUSANDS)**

|                                                        | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |
|--------------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                        | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         |
| Statutory Required Contributions                       | \$ 127,361                 | \$ 114,542   | \$ 101,585   | \$ 96,585    | \$ 96,504    | \$ 88,516    | \$ 85,402    | \$ 85,858    |
| Actual Employer Contributions                          | 127,361                    | 114,542      | 101,585      | 96,585       | 96,504       | 88,516       | 85,402       | 85,858       |
| Annual Contribution Deficiency                         | \$ -                       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Covered Payroll                                        | \$ 5,609,137               | \$ 4,952,013 | \$ 4,745,116 | \$ 4,614,244 | \$ 4,298,116 | \$ 4,172,929 | \$ 4,290,617 | \$ 4,165,647 |
| Annual Contribution as a Percentage of Covered Payroll | 2.27%                      | 2.31%        | 2.14%        | 2.09%        | 2.25%        | 2.12%        | 1.99%        | 2.06%        |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**  
**THE UNIVERSITY OF NEW MEXICO**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                                                      | Fiscal Year Ended June 30, |            |            |            |            |            |            |            |
|----------------------------------------------------------------------|----------------------------|------------|------------|------------|------------|------------|------------|------------|
|                                                                      | 2024                       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       |
| Actuarially Determined Contribution                                  | \$ 7,333                   | \$ 7,302   | \$ 7,383   | \$ 7,490   | \$ 7,459   | \$ 7,513   | \$ 7,322   | \$ 7,467   |
| Contributions in Relation to the Actuarially Determined Contribution | 7,333                      | 7,302      | 7,383      | 7,490      | 7,459      | 7,513      | 7,322      | 7,467      |
| Contribution Deficiency                                              | \$ -                       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Covered Employee Payroll                                             | \$ 259,428                 | \$ 257,325 | \$ 262,303 | \$ 272,863 | \$ 288,544 | \$ 295,345 | \$ 321,166 | \$ 350,452 |
| Contributions as a Percentage of Payroll                             | 2.83%                      | 2.84%      | 2.81%      | 2.74%      | 2.59%      | 2.54%      | 2.28%      | 2.13%      |

Notes to Schedule:

Valuation Date

January 1, 2023

Methods and Assumptions used to Determine

Contribution Rates:

Actuarial Cost Method

Asset Valuation Method

Healthcare Cost Trend Rates

Entry age normal – level % of salary

Market value of assets

Medical Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years

Medical Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years

Dental: 4.0%

2.0%

6.0%, net of OPEB plan investment expense, including inflation

63

PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-2021.

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB**  
**NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                              | Fiscal Year Ended June 30, |           |           |           |           |           |           |           |
|----------------------------------------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                              | 2024                       | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      |
| Actuarially Determined Contribution          |                            |           |           |           |           |           |           |           |
| Contributions in Relation to the Actuarially |                            |           |           |           |           |           |           |           |
| Determined Contribution                      | \$ 819                     | \$ 755    | \$ 803    | \$ 689    | \$ 705    | \$ 2,239  | \$ 3,997  | \$ 4,998  |
|                                              | 819                        | 755       | 803       | 689       | 705       | 2,239     | 3,997     | 4,998     |
| Contribution Deficiency                      | \$ -                       | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Covered Employee Payroll                     | \$ 56,944                  | \$ 50,301 | \$ 48,653 | \$ 31,793 | \$ 30,619 | \$ 14,433 | \$ 28,337 | \$ 28,142 |
| Contributions as a Percentage of Payroll     | 1.4%                       | 1.5%      | 1.7%      | 2.2%      | 2.3%      | 15.5%     | 14.1%     | 17.8%     |

Notes to Schedule:

Valuation Date

July 1, 2024

Methods and Assumptions used to Determine

Contribution Rates:

Actuarial Cost Method

Asset Valuation Method

Inflation

Healthcare Cost Trend Rates

Entry age normal – level % of salary

Market value of assets

3.0%

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%

3.0%

5.25%

Investment Rate of Return

Retirement Age

Mortality

64

PUB-2010 "General" Classification head count-weighted mortality Table with fully generation mortality improvement projections from the central year using Scale MP-2021

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - PENSION**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                       | Fiscal Year Ended June 30, |       |        |        |        |       |       |        |       |       |
|---------------------------------------|----------------------------|-------|--------|--------|--------|-------|-------|--------|-------|-------|
|                                       | 2024                       | 2023  | 2022   | 2021   | 2020   | 2019  | 2018  | 2017   | 2016  | 2015  |
| Annual Money-Weighted Rate of Return, | 8.04%                      | 3.62% | -3.11% | 25.36% | -2.70% | 5.60% | 6.50% | 10.60% | 0.70% | 1.70% |
| Net of Investment Expenses            |                            |       |        |        |        |       |       |        |       |       |

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - PENSION**  
**EDUCATIONAL EMPLOYEE RETIREMENT SYSTEM**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

|                                                                     | Fiscal Year Ended June 30, |       |       |        |        |       |       |        |       |       |
|---------------------------------------------------------------------|----------------------------|-------|-------|--------|--------|-------|-------|--------|-------|-------|
|                                                                     | 2024                       | 2023  | 2022  | 2021   | 2020   | 2019  | 2018  | 2017   | 2016  | 2015  |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expenses | 8.64%                      | 5.62% | 1.00% | 28.76% | -0.97% | 7.29% | 8.38% | 11.91% | 2.68% | 4.06% |

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - OPEB**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                                                     | Fiscal Year Ended June 30, |       |        |        |        |
|---------------------------------------------------------------------|----------------------------|-------|--------|--------|--------|
|                                                                     | 2024                       | 2023  | 2022   | 2021   | 2020   |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expenses | 11.47%                     | 5.99% | -0.86% | 22.59% | 1.43%  |
|                                                                     |                            |       |        | 6.53%  | 9.06%  |
|                                                                     |                            |       |        |        | 13.98% |

\* Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.



**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - OPEB**  
**THE UNIVERSITY NEW MEXICO**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                                                    | Fiscal Year Ended June 30, |       |         |        |       |        |
|--------------------------------------------------------------------|----------------------------|-------|---------|--------|-------|--------|
|                                                                    | 2024                       | 2023  | 2022    | 2021   | 2020  | 2017   |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 11.32%                     | 9.83% | -17.43% | 26.04% | 4.55% | 11.26% |

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF INVESTMENT RETURNS - OPEB**  
**NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY**  
**LAST EIGHT YEARS\***  
**(IN THOUSANDS)**

|                                                                    | Fiscal Year Ended June 30, |       |         |        |        |
|--------------------------------------------------------------------|----------------------------|-------|---------|--------|--------|
|                                                                    | 2024                       | 2023  | 2022    | 2021   | 2020   |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 10.89%                     | 8.05% | -11.83% | 36.75% | 3.70%  |
|                                                                    |                            |       |         | 7.10%  | 9.40%  |
|                                                                    |                            |       |         |        | 11.30% |

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**STATE OF NEW MEXICO**  
**SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS**  
**ALL RETIREMENT SYSTEMS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                            | PERS                           | JRS                            | MRS                            | VFRS                           | EERS                                                          |
|--------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------------------------------|
| Valuation Date                             | June 30, 2023                  | June 30, 2023                  | June 30, 2023                  | June 30, 2023                  | June 30, 2023                                                 |
| Actuarial Cost Method                      | Entry Age Normal               | Entry Age Normal               | Entry Age Normal               | Entry Age Normal               | Entry Age Normal                                              |
| Amortization Method                        | Level Percent of Pay           | Level Percent of Pay, Open     | Level Percent of Payroll, Open | Level Dollar, Open             | Closed 30 Year Period, Amortization. Level Percent of Payroll |
| Amortization Period                        | 25 Years                       | 25 Years                       | 25 Years                       | 25 Years                       | Closed 30 Years                                               |
| Asset Valuation Method                     |                                |                                |                                |                                | 5-Year Smoothed Market                                        |
| Actuarial Assumptions:                     |                                |                                |                                |                                |                                                               |
| Investment Rate of Return                  | 7.25%                          | 7.25%                          | 7.25%                          | 7.25%                          | 7%                                                            |
| Payroll Growth                             | 3.00%                          | 3.00%                          | 3.00%                          | N/A                            | -                                                             |
| Projected Salary Increases                 | 3.25%-13.50%                   | 3.25 %                         | 3.25 %                         | N/A                            | 2.30% Inflation, Plus .70% Prod, Inc.                         |
| Includes Inflation At 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%                          | 5.54%                          | 5.84%                          | 7.25%                          | 7.00%                                                         |
| Municipal Bond Rate                        | -                              | 3.97%                          | 3.97%                          | -                              | -                                                             |

**Notes to Schedule:**

All percentages are stated at an annual rate.  
Investment rate of return is net of investment expenses.

**STATE OF NEW MEXICO**  
**SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                             |                                                                                                                                                                                                                                                       |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date              | June 30, 2023                                                                                                                                                                                                                                         |
| Actuarial Cost Method       | Entry age normal, level of percent of pay, calculated on individual employee basis                                                                                                                                                                    |
| Asset Valuation Method      | Market value of assets                                                                                                                                                                                                                                |
| Actuarial Assumptions:      |                                                                                                                                                                                                                                                       |
| Inflation                   | 2.30% for ERB and 2.50% for PERA                                                                                                                                                                                                                      |
| Projected Payroll Increases | 3.00% to 13.00% based on years of service, including inflation                                                                                                                                                                                        |
| Investment Rate of Return   | 7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation                                                                                                                                                       |
| Discount Rate               | 7.00%                                                                                                                                                                                                                                                 |
| Healthcare Cost Trend Rate  | 8.00% graded down to 4.50% over 14 years for Non-Medicare medical plan costs and 8.50% graded down to 4.50% over 12 years for Medicare medical plan costs. Actual premium increase for the first year, then 8.25% graded down the 4.50% over 15 years |

## STATE OF NEW MEXICO

The Following Presents Required Supplementary Information for the Employer Reporting of Pension and OPEB Amounts

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - State-Funded Divisions                                                                 | Measurement Date |               |               |               |               |               |               |               |               |               |
|-----------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                               | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| State Proportion of the Net Pension Liability                                                 | 50.70%           | 53.83%        | 57.10%        | 51.17%        | 51.29%        | 52.74%        | 52.52%        | 51.25%        | 52.70%        | 54.10%        |
| State Proportionate Share of the Net Pension Liability                                        | \$ 4,095,436     | \$ 3,890,088  | \$ 2,996,326  | \$ 3,811,182  | \$ 3,324,673  | \$ 3,255,419  | \$ 2,767,431  | \$ 3,156,785  | \$ 2,243,965  | \$ 1,795,898  |
| State Covered Payroll **                                                                      | \$ 1,326,233     | \$ 1,151,862  | \$ 1,135,523  | \$ 1,111,517  | \$ 1,024,186  | \$ 987,851    | \$ 1,030,651  | \$ 1,192,558  | \$ 1,184,830  | \$ 1,137,325  |
| State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 308.80%          | 337.72%       | 263.87%       | 342.88%       | 324.62%       | 329.55%       | 268.51%       | 264.71%       | 189.39%       | 157.91%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 67.26%           | 69.35%        | 77.25%        | 66.36%        | 70.52%        | 71.13%        | 73.74%        | 69.18%        | 76.99%        | 81.29%        |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - Judicial Fund                                                                          | Measurement Date |               |               |               |               |               |               |               |               |               |
|-----------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                               | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| State Proportion of the Net Pension Liability                                                 | 100.00%          | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       |
| State Proportionate Share of the Net Pension Liability                                        | \$ 109,880       | \$ 92,243     | \$ 72,669     | \$ 138,539    | \$ 113,675    | \$ 84,479     | \$ 86,675     | \$ 106,623    | \$ 48,050     | \$ 41,311     |
| State Covered Payroll **                                                                      | \$ 21,443        | \$ 17,681     | \$ 16,985     | \$ 16,090     | \$ 16,291     | \$ 15,126     | \$ 15,493     | \$ 15,612     | \$ 15,084     | \$ 13,163     |
| State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 512.43%          | 521.71%       | 427.84%       | 861.03%       | 697.78%       | 558.50%       | 559.45%       | 682.95%       | 318.54%       | 313.83%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 50.62%           | 54.75%        | 58.21%        | 37.99%        | 44.67%        | 51.95%        | 50.83%        | 44.34%        | 64.94%        | 68.81%        |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - Magistrate Fund                                                                        | Measurement Date |               |               |               |               |               |               |               |               |               |
|-----------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                               | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| State Proportion of the Net Pension Liability                                                 | 0.00%            | 0.00%         | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       |
| State Proportionate Share of the Net Pension Liability                                        | \$ 40,719        | \$ 43,041     | \$ 24,365     | \$ 29,547     | \$ 45,634     | \$ 36,998     | \$ 33,403     | \$ 43,481     | \$ 30,349     | \$ 21,216     |
| State Covered Payroll **                                                                      | \$ 7,212         | \$ 6,290      | \$ 6,092      | \$ 6,025      | \$ 6,025      | \$ 5,638      | \$ 5,633      | \$ 5,243      | \$ 5,066      | \$ 3,516      |
| State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 564.60%          | 684.28%       | 399.95%       | 490.41%       | 757.41%       | 656.23%       | 592.99%       | 829.29%       | 599.07%       | 603.41%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 44.37%           | 42.95%        | 59.07%        | 49.59%        | 41.07%        | 46.45%        | 49.10%        | 41.65%        | 52.23%        | 62.38%        |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.



**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - Volunteer Firefighters Fund                                                            | Measurement Date |               |               |               |               |               |               |               |               |               |
|-----------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                               | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| State Proportion of the Net Pension Liability                                                 | 100.00%          | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       |
| State Proportionate Share of the Net Pension Liability                                        | \$ (28,176)      | \$ (26,125)   | \$ (31,593)   | \$ (16,932)   | \$ (19,276)   | \$ (18,485)   | \$ (17,898)   | \$ (12,114)   | \$ (17,625)   | \$ (21,042)   |
| State Covered Payroll **                                                                      | *                | *             | *             | *             | *             | *             | *             | *             | *             | *             |
| State Proportionate Share of the Net Pension Liability 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, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| State Proportion of the Net Pension Liability                                                 | 0.23%            | 0.26%         | 0.26%         | 0.27%         | 0.29%         | 0.29%         | 0.27%         | 0.30%         | 0.34%         | 0.34%         |
| State Proportionate Share of the Net Pension Liability                                        | \$ 20,171        | \$ 22,714     | \$ 18,663     | \$ 54,568     | \$ 22,005     | \$ 34,028     | \$ 30,486     | \$ 21,580     | \$ 22,015     | \$ 19,127     |
| State Covered Payroll *                                                                       | \$ 10,284        | \$ 8,924      | \$ 8,438      | \$ 8,601      | \$ 8,489      | \$ 8,000      | \$ 8,561      | \$ 9,662      | \$ 9,240      | \$ 9,242      |
| State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 196.14%          | 254.52%       | 221.17%       | 634.46%       | 259.22%       | 425.35%       | 356.10%       | 223.35%       | 238.26%       | 206.96%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 65.19%           | 64.87%        | 69.77%        | 39.11%        | 64.13%        | 52.17%        | 52.95%        | 61.58%        | 63.97%        | 66.54%        |

\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

| ERB - Educational Institutions                                                                | Measurement Date |               |               |               |               |               |               |               |               |               |
|-----------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                               | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| State Proportion of the Net Pension Liability                                                 | 25.63%           | 26.29%        | 26.98%        | 26.80%        | 27.87%        | 28.73%        | 28.80%        | 28.65%        | 28.85%        | 29.19%        |
| State Proportionate Share of the Net Pension Liability                                        | \$ 2,225,358     | \$ 2,214,431  | \$ 1,912,469  | \$ 5,431,257  | \$ 2,111,751  | \$ 3,416,362  | \$ 3,200,504  | \$ 2,061,616  | \$ 1,868,432  | \$ 1,665,276  |
| State Covered Payroll *                                                                       | \$ 1,110,066     | \$ 892,224    | \$ 855,428    | \$ 856,014    | \$ 814,496    | \$ 802,777    | \$ 818,187    | \$ 819,993    | \$ 804,471    | \$ 930,167    |
| State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 200.47%          | 248.19%       | 223.57%       | 634.48%       | 259.27%       | 425.57%       | 391.17%       | 251.42%       | 232.26%       | 179.03%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                    | 65.19%           | 64.87%        | 69.77%        | 39.11%        | 64.13%        | 52.17%        | 52.95%        | 61.58%        | 63.97%        | 66.54%        |

\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - State-Funded Divisions                                               | Measurement Date |               |               |               |               |               |               |
|--------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                            | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
| State Proportion of the Net OPEB Liability                                                 | 23.80%           | 23.88%        | 24.12%        | 24.03%        | 24.22%        | 24.13%        | 24.12%        |
| State Proportionate Share of the Net OPEB Liability                                        | \$ 405,285       | \$ 552,044    | \$ 793,748    | \$ 1,008,906  | \$ 785,609    | \$ 1,049,291  | \$ 1,093,162  |
| State Covered Payroll **                                                                   | \$ 1,362,500     | \$ 1,258,400  | \$ 1,190,400  | \$ 1,149,050  | \$ 1,035,350  | \$ 1,030,100  | \$ 1,035,550  |
| State Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 29.75%           | 43.87%        | 66.68%        | 87.80%        | 75.88%        | 101.86%       | 105.56%       |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                    | 44.16%           | 33.33%        | 25.39%        | 16.50%        | 18.92%        | 13.14%        | 11.34%        |

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY (CONTINUED)**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - Educational Institutions                                             | Measurement Date |               |               |               |               |               |
|--------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                            | June 30, 2023    | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2017 |
| State Proportion of the Net OPEB Liability                                                 | 2.63%            | 2.75%         | 2.75%         | 2.67%         | 2.73%         | 2.89%         |
| State Proportionate Share of the Net OPEB Liability                                        | \$ 44,823        | \$ 63,643     | \$ 90,524     | \$ 112,118    | \$ 88,554     | \$ 124,460    |
| State Covered Payroll **                                                                   | \$ 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 | 29.30%           | 46.25%        | 69.98%        | 87.80%        | 72.17%        | 96.69%        |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                    | 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, |              |              |              |              |              |            |              |              |              |
|-------------------------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|
|                                                                   | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018       | 2017         | 2016         | 2015         |
| Contractually Required Contribution                               | \$ 290,027                 | \$ 251,754   | \$ 221,400   | \$ 209,237   | \$ 200,231   | \$ 181,674   | \$ 174,957 | \$ 184,801   | \$ 171,144   | \$ 176,397   |
| Contributions in Relation to Contractually Required Contributions | 290,027                    | 251,754      | 221,400      | 209,237      | 200,231      | 181,674      | 174,957    | 184,801      | 171,144      | 176,397      |
| Contribution Deficiency                                           | \$ -                       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -         | \$ -         | \$ -         |
| State Covered Payroll **                                          | \$ 1,527,136               | \$ 1,326,233 | \$ 1,151,862 | \$ 1,135,523 | \$ 1,111,517 | \$ 1,024,186 | \$ 987,851 | \$ 1,030,651 | \$ 1,192,558 | \$ 1,184,830 |
| Contributions as a Percentage of Covered Payroll                  | 18.99%                     | 18.98%       | 19.22%       | 18.43%       | 18.01%       | 17.74%       | 17.71%     | 17.93%       | 14.35%       | 14.89%       |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - Judicial Fund                                              | Fiscal Year Ended June 30, |           |             |           |           |           |           |           |           |           |
|-------------------------------------------------------------------|----------------------------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                                   | 2024                       | 2023      | 2022        | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
| Contractually Required Contribution                               | \$ 7,463                   | \$ 7,186  | \$ 7,205    | \$ 5,858  | \$ 6,045  | \$ 5,881  | \$ 4,908  | \$ 4,975  | \$ 4,816  | \$ 4,919  |
| Contributions in Relation to Contractually Required Contributions | 6,694                      | 6,352     | 25,619      | 5,626     | 4,683     | 4,731     | 4,723     | 4,524     | 4,237     | 4,196     |
| Contribution Deficiency (Excess)                                  | \$ 769                     | \$ 834    | \$ (18,414) | \$ 232    | \$ 1,362  | \$ 1,150  | \$ 185    | \$ 451    | \$ 579    | \$ 723    |
| State Covered Payroll **                                          | \$ 22,364                  | \$ 21,443 | \$ 17,681   | \$ 16,985 | \$ 16,090 | \$ 16,292 | \$ 15,126 | \$ 15,493 | \$ 15,612 | \$ 15,084 |
| Contributions as a Percentage of Covered Payroll                  | 29.94%                     | 29.63%    | 144.91%     | 33.13%    | 29.11%    | 29.04%    | 31.23%    | 29.20%    | 27.14%    | 27.82%    |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - Magistrate Fund                                            | Fiscal Year Ended June 30, |          |          |          |          |          |          |          |          |          |
|-------------------------------------------------------------------|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                                                                   | 2024                       | 2023     | 2022     | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     |
| Contractually Required Contribution                               | \$ 2,530                   | \$ 2,724 | \$ 2,396 | \$ 2,306 | \$ 1,923 | \$ 1,862 | \$ 1,588 | \$ 1,576 | \$ 1,463 | \$ 1,967 |
| Contributions in Relation to Contractually Required Contributions | 2,619                      | 2,538    | 2,385    | 2,348    | 1,293    | 1,236    | 1,232    | 1,282    | 1,280    | 937      |
| Contribution Deficiency (Excess)                                  | \$ (89)                    | \$ 186   | \$ 11    | \$ (42)  | \$ 630   | \$ 626   | \$ 356   | \$ 294   | \$ 183   | \$ 1,030 |
| State Covered Payroll **                                          | \$ 6,550                   | \$ 7,212 | \$ 6,290 | \$ 6,092 | \$ 6,025 | \$ 6,025 | \$ 5,638 | \$ 5,633 | \$ 5,243 | \$ 5,066 |
| Contributions as a Percentage of Covered Payroll                  | 39.98%                     | 35.19%   | 37.92%   | 38.54%   | 21.45%   | 20.51%   | 21.85%   | 22.76%   | 24.42%   | 18.49%   |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.



**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| PERA - Volunteer Firefighters Fund                                | Fiscal Year Ended June 30, |        |        |        |        |        |        |        |        |        |
|-------------------------------------------------------------------|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                                   | 2024                       | 2023   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| Statutorily Determined Contribution                               | \$ 750                     | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Contributions in Relation to Statutorily Determined Contributions | 750                        | 750    | 750    | 750    | 750    | 750    | 750    | 750    | 750    | 750    |
| Contribution Deficiency                                           | \$ -                       | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   |
| State Covered Payroll                                             | *                          | *      | *      | *      | *      | *      | *      | *      | *      | *      |
| Contributions as a Percentage of Covered Payroll                  | N/A                        | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    |

\* There is no covered payroll. The State Legislature provides a contribution of \$750 thousand per year.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)**  
**LAST TEN YEARS**  
**(IN THOUSANDS)**

| ERB - State Agencies                                                                                  | Fiscal Year Ended June 30, |           |          |          |          |          |          |          |          |          |
|-------------------------------------------------------------------------------------------------------|----------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                                                                                                       | 2024                       | 2023      | 2022     | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     |
| Contractually Required Contribution Contributions in Relation to Contractually Required Contributions | \$ 1,740                   | \$ 1,558  | \$ 1,352 | \$ 1,194 | \$ 1,217 | \$ 1,180 | \$ 1,112 | \$ 1,190 | \$ 1,343 | \$ 1,215 |
|                                                                                                       | 1,740                      | 1,558     | 1,352    | 1,194    | 1,217    | 1,180    | 1,112    | 1,190    | 1,343    | 1,215    |
| Contribution Deficiency (Excess)                                                                      | \$ -                       | \$ -      | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     |
| State Covered Payroll **                                                                              | \$ 11,485                  | \$ 10,284 | \$ 8,924 | \$ 8,438 | \$ 8,601 | \$ 8,489 | \$ 8,000 | \$ 8,561 | \$ 9,662 | \$ 9,240 |
| Contributions as a Percentage of Covered Payroll                                                      | 15.15%                     | 15.15%    | 15.15%   | 14.15%   | 14.15%   | 13.90%   | 13.90%   | 13.90%   | 13.90%   | 13.15%   |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

| ERB - Educational Institutions                                                                        | Fiscal Year Ended June 30, |              |            |            |            |            |            |            |            |            |
|-------------------------------------------------------------------------------------------------------|----------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                                                                                       | 2024                       | 2023         | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       |
| Contractually Required Contribution Contributions in Relation to Contractually Required Contributions | \$ 199,489                 | \$ 168,175   | \$ 135,172 | \$ 121,043 | \$ 121,126 | \$ 113,215 | \$ 111,586 | \$ 113,728 | \$ 113,979 | \$ 105,788 |
|                                                                                                       | 199,489                    | 168,175      | 135,172    | 121,043    | 121,126    | 113,215    | 111,586    | 113,728    | 113,979    | 105,788    |
| Contribution Deficiency (Excess)                                                                      | \$ -                       | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Educational Institutions' Covered Payroll **                                                          | \$ 1,316,759               | \$ 1,110,066 | \$ 892,224 | \$ 855,428 | \$ 856,014 | \$ 814,496 | \$ 802,777 | \$ 818,187 | \$ 819,993 | \$ 804,471 |
| Contributions as a Percentage of Covered Payroll                                                      | 15.15%                     | 15.15%       | 15.15%     | 14.15%     | 14.15%     | 13.90%     | 13.90%     | 13.90%     | 13.90%     | 13.15%     |

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - State-Funded Divisions                      | Fiscal Year Ended June 30, |              |              |              |              |              |              |
|-------------------------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                   | 2024                       | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
| Contractually Required Contribution                               | \$ 30,727                  | \$ 27,250    | \$ 25,168    | \$ 23,808    | \$ 22,981    | \$ 20,707    | \$ 20,602    |
| Contributions in Relation to Contractually Required Contributions | 30,727                     | 27,250       | 25,168       | 23,808       | 22,981       | 20,707       | 20,602       |
| Contribution Deficiency (Excess)                                  | \$ -                       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| State Covered Payroll **                                          | \$ 1,536,350               | \$ 1,362,500 | \$ 1,258,400 | \$ 1,190,400 | \$ 1,149,050 | \$ 1,035,350 | \$ 1,030,100 |
| Contributions as a Percentage of Covered Payroll                  | 2.00%                      | 2.00%        | 2.00%        | 2.00%        | 2.00%        | 2.00%        | 2.00%        |

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**  
**SCHEDULE OF THE STATE'S CONTRIBUTIONS (CONTINUED)**  
**LAST SEVEN YEARS\***  
**(IN THOUSANDS)**

| Retiree Health Care - Educational Institutions   | Fiscal Year Ended June 30, |            |            |            |            |            |            |
|--------------------------------------------------|----------------------------|------------|------------|------------|------------|------------|------------|
|                                                  | 2024                       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       |
| Contractually Required Contribution              | \$ 3,276                   | \$ 3,060   | \$ 2,752   | \$ 2,587   | \$ 2,554   | \$ 2,454   | \$ 2,575   |
| Contributions in Relation to Contractually       |                            |            |            |            |            |            |            |
| Required Contributions                           | 3,276                      | 3,060      | 2,752      | 2,587      | 2,554      | 2,454      | 2,575      |
| Contribution Deficiency                          | \$ -                       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| State Covered Payroll **                         | \$ 163,800                 | \$ 153,000 | \$ 137,600 | \$ 129,350 | \$ 127,700 | \$ 122,700 | \$ 128,727 |
| Contributions as a Percentage of Covered Payroll | 2.00%                      | 2.00%      | 2.00%      | 2.00%      | 2.00%      | 2.00%      | 2.00%      |

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

## OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO**  
**NONMAJOR GOVERNMENTAL FUNDS COMBINING FINANCIAL STATEMENTS**

**Debt Service Fund**

Debt Service Fund accounts are used to account for the accumulation of resources for and the payment of principal and interest on general long-term obligations and other contractual obligations.

**Capital Projects Fund**

The Capital Projects Fund accounts for funds appropriated by the State Legislature for capital outlay, including severance tax and general obligation bond proceeds and State General Appropriation capital outlay funds.

**Children's Trust Fund**

The Children's Trust Fund is a permanent fund used to account for funds received through general fund appropriations and other fees for service. The funds are invested, and the investment proceeds can be utilized by other funds for programs for children as described in the Children's Trust Fund Act, NMSA 1978 chapter 24, article 19.

**STATE OF NEW MEXICO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024  
(IN THOUSANDS)**

|                                                                          | Debt Service<br>Fund | Capital<br>Projects<br>Fund | Children's<br>Trust Fund | Nonmajor<br>Governmental<br>Funds |
|--------------------------------------------------------------------------|----------------------|-----------------------------|--------------------------|-----------------------------------|
| <b>ASSETS</b>                                                            |                      |                             |                          |                                   |
| Cash and Cash Equivalents                                                | \$ 15,557            | \$ -                        | \$ -                     | \$ 15,557                         |
| Investment in the State General Fund Investment Pool                     | 656,490              | 5,432,722                   | 89                       | 6,089,301                         |
| Due from Other Funds                                                     | 330,587              | 807                         | -                        | 331,394                           |
| Receivables, Net                                                         | 19,864               | 1,554                       | (1)                      | 21,417                            |
| Investments                                                              | 18,066               | -                           | 10,851                   | 28,917                            |
| Total Assets                                                             | <u>\$ 1,040,564</u>  | <u>\$ 5,435,083</u>         | <u>\$ 10,939</u>         | <u>\$ 6,486,586</u>               |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                      |                             |                          |                                   |
| <b>LIABILITIES</b>                                                       |                      |                             |                          |                                   |
| Accounts Payable                                                         | \$ 642               | \$ 133,632                  | \$ -                     | \$ 134,274                        |
| Accrued Liabilities                                                      | -                    | 102                         | -                        | 102                               |
| Due to Other Funds                                                       | -                    | 1,453                       | -                        | 1,453                             |
| Due to Educational Institutions Fund                                     | -                    | 32,603                      | -                        | 32,603                            |
| Due to Component Units                                                   | -                    | 14,081                      | -                        | 14,081                            |
| Intergovernmental Payables                                               | -                    | 96,191                      | -                        | 96,191                            |
| Funds Held For Others                                                    | -                    | 3                           | -                        | 3                                 |
| Other Obligations                                                        | 2                    | 4,215                       | -                        | 4,217                             |
| Unearned Revenue                                                         | -                    | 153,146                     | -                        | 153,146                           |
| Total Liabilities                                                        | <u>644</u>           | <u>435,426</u>              | <u>-</u>                 | <u>436,070</u>                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                      |                             |                          |                                   |
| Leases                                                                   | -                    | 61                          | -                        | 61                                |
| Unavailable Revenues                                                     | -                    | 43                          | -                        | 43                                |
| Total Deferred Inflows of Resources                                      | <u>-</u>             | <u>104</u>                  | <u>-</u>                 | <u>104</u>                        |
| <b>FUND BALANCES</b>                                                     |                      |                             |                          |                                   |
| Nonspendable                                                             | -                    | -                           | 2,000                    | 2,000                             |
| Restricted                                                               | 1,047,916            | 5,008,094                   | 6,437                    | 6,062,447                         |
| Committed                                                                | -                    | 20                          | 2,500                    | 2,520                             |
| Unassigned (Deficit)                                                     | (7,996)              | (8,561)                     | 2                        | (16,555)                          |
| Total Fund Balances                                                      | <u>1,039,920</u>     | <u>4,999,553</u>            | <u>10,939</u>            | <u>6,050,412</u>                  |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances   | <u>\$ 1,040,564</u>  | <u>\$ 5,435,083</u>         | <u>\$ 10,939</u>         | <u>\$ 6,486,586</u>               |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                      | Debt Service<br>Fund | Capital<br>Projects<br>Fund | Children's<br>Trust Fund | Nonmajor<br>Governmental<br>Funds |
|------------------------------------------------------|----------------------|-----------------------------|--------------------------|-----------------------------------|
| <b>REVENUES</b>                                      |                      |                             |                          |                                   |
| Taxes:                                               |                      |                             |                          |                                   |
| General and Selective Taxes                          | \$ 2,240,962         | \$ 7,127                    | \$ -                     | \$ 2,248,089                      |
| Total Taxes                                          | 2,240,962            | 7,127                       | -                        | 2,248,089                         |
| Other Revenues:                                      |                      |                             |                          |                                   |
| Federal Revenue                                      | -                    | 55,937                      | -                        | 55,937                            |
| Investment Income                                    | 179,634              | 1,196                       | 1,665                    | 182,495                           |
| Rentals and Royalties                                | -                    | 9                           | -                        | 9                                 |
| Charges for Services                                 | 5,322                | 275                         | -                        | 5,597                             |
| Licenses, Fees, and Permits                          | 2,246                | -                           | 78                       | 2,324                             |
| Miscellaneous and Other                              | -                    | 12,269                      | -                        | 12,269                            |
| Total Revenues                                       | 2,428,164            | 76,813                      | 1,743                    | 2,506,720                         |
| <b>EXPENDITURES</b>                                  |                      |                             |                          |                                   |
| Current:                                             |                      |                             |                          |                                   |
| Culture, Recreation, and Natural Resources           | 39                   | 37,143                      | -                        | 37,182                            |
| Education                                            | -                    | 130,858                     | -                        | 130,858                           |
| General Control                                      | 1,975                | 248,623                     | -                        | 250,598                           |
| Health and Human Services                            | 3,996                | 105,501                     | -                        | 109,497                           |
| Highway and Transportation                           | -                    | 163,038                     | -                        | 163,038                           |
| Judicial                                             | 7                    | 2,655                       | -                        | 2,662                             |
| Public Safety                                        | -                    | 1,597                       | -                        | 1,597                             |
| Regulation and Licensing                             | -                    | 5,927                       | -                        | 5,927                             |
| Capital Outlay                                       | 7                    | 267,536                     | -                        | 267,543                           |
| Debt Service:                                        |                      |                             |                          |                                   |
| Principal                                            | 1,800,141            | -                           | -                        | 1,800,141                         |
| Interest and Other Charges                           | 88,161               | -                           | -                        | 88,161                            |
| Total Expenditures                                   | 1,894,326            | 962,878                     | -                        | 2,857,204                         |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 533,838              | (886,065)                   | 1,743                    | (350,484)                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                      |                             |                          |                                   |
| Bonds Issued                                         | -                    | 1,505,715                   | -                        | 1,505,715                         |
| Transfers In                                         | 2,090,084            | 1,907,688                   | -                        | 3,997,772                         |
| Transfers Out                                        | (2,650,220)          | (1,381,491)                 | -                        | (4,031,711)                       |
| Total Other Financing Sources (Uses)                 | (560,136)            | 2,031,912                   | -                        | 1,471,776                         |
| <b>NET CHANGE IN FUND BALANCES</b>                   | (26,298)             | 1,145,847                   | 1,743                    | 1,121,292                         |
| Fund Balance - Beginning                             | 1,066,218            | 3,853,706                   | 9,196                    | 4,929,120                         |
| <b>FUND BALANCES - ENDING</b>                        | \$ 1,039,920         | \$ 4,999,553                | \$ 10,939                | \$ 6,050,412                      |



**STATE OF NEW MEXICO  
NONMAJOR PROPRIETARY FUNDS COMBINING FINANCIAL STATEMENTS**

**Enterprise Funds**

Enterprise funds report the activities for which fees are charged to external users for goods and services. Enterprise Funds are presented beginning on page 263.

**Internal Service Funds**

Internal service funds account for goods and services provided primarily to other agencies or funds of the State, rather than to the general public. Internal Service Funds are presented beginning on page 274.

**STATE OF NEW MEXICO**  
**NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS**

**Unemployment Insurance Fund**

The Unemployment Insurance Fund accounts for funds used for unemployment compensation. This fund does not account for other than unemployment compensation (i.e., workers' compensation, employment security labor market statistics, administration of the employment compensation program, etc.) Although this fund does not mathematically qualify to be a major fund, the State has chosen to present it as such due to its prior significance.

**Industries for the Blind**

The New Mexico Commission for the Blind's mission is to encourage and enable the State's blind citizens to achieve vocational, economic, and social equality. This proprietary fund is used to provide career training and other assistance for New Mexico's blind citizens and entails the operations of the Albuquerque Training Center.

**Corrections Industries Revolving Fund**

This fund is used to account for certain activities of the Corrections Industries Division of the Department of Corrections. These activities include the manufacture of furniture and textiles, production of agricultural crops, and data entry services.

**Environment Department**

This fund is used to account for revolving loans for wastewater and drinking water facilities.

**New Mexico Magazine**

New Mexico Magazine is a program of the Department of Tourism. The fund accounts for the publishing and distribution of the monthly New Mexico Magazine.

**New Mexico Public Schools Insurance Authority (NMPSIA)**

NMPSIA is a self-insurance pool that provides various benefits and risk coverage to participating public schools, school board members, and public school employees, plus retired board members and employees. Coverage provided includes property, casualty, workers' compensation, health, life, and disability.

**State Infrastructure Bank**

The State Infrastructure Bank is a proprietary fund administered by the Department of Transportation. The fund is used to account for loans made for road projects.

**Miners' Colfax Medical Center**

Miners' Colfax Medical Center is a State owned medical facility in Raton, New Mexico. The current organization is a result of a merger between the Miners' Hospital and Northern Colfax County Hospital. Miners' Colfax operates a 25-bed acute care hospital; a 37-bed extended care facility, and various outpatient clinics in Raton, New Mexico. Miners' Colfax has programs that serve both miners and nonminers.

**STATE OF NEW MEXICO**  
**NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS (CONTINUED)**

**State Fair Commission**

This fund administers the operations of the annual New Mexico State Fair and the use of the Fairgrounds facilities during the year

**Department of Cultural Affairs**

This fund administers the enterprise operations of the Department of Cultural Affairs.

**Education Trust Board**

The Education Trust Board of New Mexico operates as a self-sustaining entity which is administratively connected to the NM Department of Higher Education. This fund administers New Mexico's Section 529 College Savings Plans under rules promulgated by the Board. The financial statements of the two savings plans are presented as a private purpose fiduciary trust fund.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**ASSETS**

Current Assets:

|                                      |       |   |       |   |         |   |       |        |        |   |
|--------------------------------------|-------|---|-------|---|---------|---|-------|--------|--------|---|
| Cash and Cash Equivalents            | \$    | - | \$    | - | \$      | - | \$    | 685    | \$     | - |
| Investment in the State General Fund |       |   |       |   |         |   |       |        |        |   |
| Investment Pool                      | 803   |   | 2,199 |   | 222,623 |   | 2,872 | 574    | 13,594 |   |
| Investment in the Local Government   |       |   |       |   |         |   |       |        |        |   |
| Investment Pool                      | -     |   | -     |   | -       |   | -     | 67,633 | -      |   |
| Prepaid Expenses and Other Assets    | -     |   | -     |   | -       |   | 57    | 256    | -      |   |
| Due from Other Funds                 | -     |   | -     |   | -       |   | -     | 6      | -      |   |
| Receivables, Net                     | 219   |   | 2,474 |   | 15,643  |   | 829   | 22,827 | 879    |   |
| Investments                          | -     |   | -     |   | -       |   | -     | -      | -      |   |
| Inventories                          | -     |   | 175   |   | -       |   | 16    | -      | -      |   |
| Total Current Assets                 | 1,022 |   | 4,848 |   | 238,266 |   | 3,774 | 91,981 | 14,473 |   |

Noncurrent Assets:

|                               |   |  |     |  |         |  |   |        |       |  |
|-------------------------------|---|--|-----|--|---------|--|---|--------|-------|--|
| Loans Receivable              | - |  | -   |  | 203,778 |  | - | -      | 8,848 |  |
| Investments                   | - |  | -   |  | -       |  | - | 42,697 | -     |  |
| Nondepreciable Capital Assets | - |  | -   |  | -       |  | - | 237    | -     |  |
| Capital Assets, Net           | 5 |  | 630 |  | -       |  | 4 | 9      | -     |  |
| Total Noncurrent Assets       | 5 |  | 630 |  | 203,778 |  | 4 | 42,943 | 8,848 |  |

Total Assets

|       |       |         |       |         |        |
|-------|-------|---------|-------|---------|--------|
| 1,027 | 5,478 | 442,044 | 3,778 | 134,924 | 23,321 |
|-------|-------|---------|-------|---------|--------|

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows - OPEB  
Deferred Outflows - Pension  
Total Deferred Outflows

|    |     |   |     |     |   |
|----|-----|---|-----|-----|---|
| 9  | 113 | - | 60  | 69  | - |
| 46 | 593 | - | 298 | 348 | - |
| 55 | 706 | - | 358 | 417 | - |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                       | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Department<br>of Cultural<br>Affairs | Education<br>Trust<br>Board | Total      |
|---------------------------------------|-----------------------------------|-------------------------------------|--------------------------|--------------------------------------|-----------------------------|------------|
| <b>ASSETS</b>                         |                                   |                                     |                          |                                      |                             |            |
| Current Assets:                       |                                   |                                     |                          |                                      |                             |            |
| Cash and Cash Equivalents             | \$ 415,573                        | \$ 209                              | \$ 1,659                 | \$ -                                 | \$ -                        | \$ 418,126 |
| Investment in the State General Fund  | (1,738)                           | 1,753                               | 1,559                    | 724                                  | 640                         | 245,603    |
| Investment Pool                       |                                   |                                     |                          |                                      |                             |            |
| Investment in the Local Government    |                                   |                                     |                          |                                      |                             |            |
| Investment Pool                       | -                                 | -                                   | -                        | -                                    | 10,606                      | 78,239     |
| Prepaid Expenses and Other Assets     | -                                 | -                                   | -                        | -                                    | (1)                         | 312        |
| Due from Other Funds                  | -                                 | 2,340                               | -                        | -                                    | -                           | 2,346      |
| Receivables, Net                      | 212,630                           | 4,551                               | 2,311                    | -                                    | 136                         | 262,499    |
| Investments                           | -                                 | (1)                                 | -                        | -                                    | -                           | (1)        |
| Inventories                           | -                                 | 623                                 | -                        | -                                    | -                           | 814        |
| Total Current Assets                  | 626,465                           | 9,475                               | 5,529                    | 724                                  | 11,381                      | 1,007,938  |
| Noncurrent Assets:                    |                                   |                                     |                          |                                      |                             |            |
| Loans Receivable                      | -                                 | -                                   | 58,978                   | -                                    | -                           | 271,604    |
| Investments                           | -                                 | 1,007                               | -                        | -                                    | -                           | 43,704     |
| Nondepreciable Capital Assets         | -                                 | 709                                 | 2,489                    | -                                    | -                           | 3,435      |
| Capital Assets, Net                   | -                                 | 19,302                              | 35,538                   | 69                                   | 162                         | 55,719     |
| Total Noncurrent Assets               | -                                 | 21,018                              | 97,005                   | 69                                   | 162                         | 374,462    |
| Total Assets                          | 626,465                           | 30,493                              | 102,534                  | 793                                  | 11,543                      | 1,382,400  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                                   |                                     |                          |                                      |                             |            |
| Deferred Outflows - OPEB              | -                                 | 1,296                               | 191                      | -                                    | 32                          | 1,770      |
| Deferred Outflows - Pension           | -                                 | 6,507                               | 961                      | -                                    | 161                         | 8,914      |
| Total Deferred Outflows               | -                                 | 7,803                               | 1,152                    | -                                    | 193                         | 10,684     |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                               | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|-----------------------------------------------|-----------------------------|---------------------------------------------|---------------------------|------------------------|--------------------------------------------------------|---------------------------------|
| <b>LIABILITIES</b>                            |                             |                                             |                           |                        |                                                        |                                 |
| Current Liabilities:                          |                             |                                             |                           |                        |                                                        |                                 |
| Accounts Payable                              | \$ 771                      | \$ 198                                      | \$ -                      | \$ 2,240               | \$ 93                                                  | \$ -                            |
| Accrued Liabilities                           | 2                           | 33                                          | -                         | 17                     | 29                                                     | -                               |
| Unearned Revenue                              | -                           | -                                           | -                         | 758                    | 104                                                    | -                               |
| Due to Other Funds                            | -                           | -                                           | -                         | -                      | 7                                                      | -                               |
| Funds Held for Others                         | -                           | -                                           | -                         | -                      | 3                                                      | -                               |
| Other Liabilities                             | -                           | -                                           | -                         | 581                    | 1,941                                                  | -                               |
| Bonds Payable - Current Portion               | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| Other Long-Term Liabilities - Current Portion | 2                           | 81                                          | -                         | 42                     | 39,273                                                 | -                               |
| Total Current Liabilities                     | 775                         | 312                                         | -                         | 3,638                  | 41,450                                                 | -                               |
| Noncurrent Liabilities:                       |                             |                                             |                           |                        |                                                        |                                 |
| Bonds Payable                                 | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| Net Pension Liability                         | 292                         | 3,766                                       | -                         | 1,894                  | 2,217                                                  | -                               |
| Net OPEB Liability                            | 29                          | 359                                         | -                         | 190                    | 221                                                    | -                               |
| Other Long-Term Liabilities                   | 3                           | -                                           | -                         | 3                      | 104,608                                                | -                               |
| Total Noncurrent Liabilities                  | 324                         | 4,125                                       | -                         | 2,087                  | 107,046                                                | -                               |
| Total Liabilities                             | 1,099                       | 4,437                                       | -                         | 5,725                  | 148,496                                                | -                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                             |                                             |                           |                        |                                                        |                                 |
| Deferred Inflows - Pension                    | 6                           | 78                                          | -                         | 42                     | 49                                                     | -                               |
| Deferred Inflows - OPEB                       | 34                          | 416                                         | -                         | 218                    | 256                                                    | -                               |
| Deferred Inflows - Lease                      | -                           | 1,188                                       | -                         | -                      | -                                                      | -                               |
| Total Deferred Inflows                        | 40                          | 1,682                                       | -                         | 260                    | 305                                                    | -                               |
| <b>NET POSITION</b>                           |                             |                                             |                           |                        |                                                        |                                 |
| Net Investment in Capital Assets              | -                           | 629                                         | -                         | -                      | 243                                                    | -                               |
| Restricted for:                               |                             |                                             |                           |                        |                                                        |                                 |
| Loans                                         | -                           | -                                           | 442,046                   | -                      | -                                                      | 23,322                          |
| Unemployment and Insurance                    | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| Other Purposes                                | 248                         | 4,090                                       | -                         | -                      | 1                                                      | -                               |
| Unrestricted (Deficit)                        | (305)                       | (4,654)                                     | (2)                       | (1,849)                | (13,704)                                               | (1)                             |
| Total Net Position                            | \$ (57)                     | \$ 65                                       | \$ 442,044                | \$ (1,849)             | \$ (13,460)                                            | \$ 23,321                       |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                               | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Department<br>of Cultural<br>Affairs | Education<br>Trust<br>Board | Total        |
|-----------------------------------------------|-----------------------------------|-------------------------------------|--------------------------|--------------------------------------|-----------------------------|--------------|
| <b>LIABILITIES</b>                            |                                   |                                     |                          |                                      |                             |              |
| Current Liabilities:                          |                                   |                                     |                          |                                      |                             |              |
| Accounts Payable                              | \$ 83                             | \$ 896                              | \$ 588                   | \$ -                                 | \$ 394                      | \$ 5,263     |
| Accrued Liabilities                           | 5,501                             | 469                                 | 64                       | -                                    | 10                          | 6,125        |
| Unearned Revenue                              | 34,308                            | -                                   | 1,576                    | -                                    | -                           | 36,746       |
| Due to Other Funds                            | 499                               | -                                   | -                        | -                                    | -                           | 506          |
| Funds Held for Others                         | 417                               | 12                                  | 82                       | -                                    | -                           | 514          |
| Other Liabilities                             | 1                                 | 269                                 | 1                        | -                                    | -                           | 2,793        |
| Bonds Payable - Current Portion               | -                                 | 1,171                               | 1                        | -                                    | -                           | 1,172        |
| Other Long-Term Liabilities - Current Portion | -                                 | 1,168                               | 149                      | -                                    | 75                          | 40,790       |
| Total Current Liabilities                     | 40,809                            | 3,985                               | 2,461                    | -                                    | 479                         | 93,909       |
| Noncurrent Liabilities:                       |                                   |                                     |                          |                                      |                             |              |
| Bonds Payable                                 | -                                 | 2,430                               | -                        | -                                    | -                           | 2,430        |
| Net Pension Liability                         | -                                 | 41,406                              | 6,113                    | -                                    | 1,033                       | 56,721       |
| Net OPEB Liability                            | -                                 | 4,131                               | 611                      | -                                    | 104                         | 5,645        |
| Other Long-Term Liabilities                   | -                                 | 1,416                               | 99                       | -                                    | 135                         | 106,264      |
| Total Noncurrent Liabilities                  | -                                 | 49,383                              | 6,823                    | -                                    | 1,272                       | 171,060      |
| Total Liabilities                             | 40,809                            | 53,368                              | 9,284                    | -                                    | 1,751                       | 264,969      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                                   |                                     |                          |                                      |                             |              |
| Deferred Inflows - Pension                    | -                                 | 905                                 | 134                      | -                                    | 23                          | 1,237        |
| Deferred Inflows - OPEB                       | -                                 | 4,778                               | 707                      | -                                    | 119                         | 6,528        |
| Deferred Inflows - Lease                      | -                                 | -                                   | 61,250                   | -                                    | -                           | 62,438       |
| Total Deferred Inflows                        | -                                 | 5,683                               | 62,091                   | -                                    | 142                         | 70,203       |
| <b>NET POSITION</b>                           |                                   |                                     |                          |                                      |                             |              |
| Net Investment in Capital Assets              | -                                 | 14,996                              | 38,028                   | 68                                   | (15)                        | 53,949       |
| Restricted for:                               |                                   |                                     |                          |                                      |                             |              |
| Loans                                         | -                                 | -                                   | -                        | -                                    | -                           | 465,368      |
| Unemployment and Insurance                    | 585,668                           | -                                   | -                        | -                                    | -                           | 585,668      |
| Other Purposes                                | -                                 | 1,006                               | 458                      | -                                    | 10,941                      | 16,744       |
| Unrestricted (Deficit)                        | (12)                              | (36,757)                            | (6,175)                  | 725                                  | (1,083)                     | (63,817)     |
| Total Net Position                            | \$ 585,656                        | \$ (20,755)                         | \$ 32,311                | \$ 793                               | \$ 9,843                    | \$ 1,057,912 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                  | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|--------------------------------------------------|-----------------------------|---------------------------------------------|---------------------------|------------------------|--------------------------------------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>                        |                             |                                             |                           |                        |                                                        |                                 |
| Charges for Services                             | \$ 9,211                    | \$ 4,031                                    | \$ -                      | \$ 4,485               | \$ 477,635                                             | \$ -                            |
| Unemployment Insurance                           | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| Federal Revenue                                  | -                           | -                                           | 13,916                    | 4,743                  | -                                                      | -                               |
| Loan and Other Income                            | -                           | 75                                          | 8,803                     | -                      | 4,915                                                  | 582                             |
| Other Operating Revenues                         | -                           | 20                                          | -                         | 300                    | 2,428                                                  | -                               |
| Total Operating Revenues                         | 9,211                       | 4,126                                       | 22,719                    | 9,528                  | 484,978                                                | 582                             |
| <b>OPERATING EXPENSES</b>                        |                             |                                             |                           |                        |                                                        |                                 |
| Benefits, Claims, and Premiums                   | -                           | -                                           | -                         | -                      | 20,715                                                 | -                               |
| General and Administrative Expenses              | 152                         | 3,251                                       | 1,384                     | 8,816                  | 509,820                                                | -                               |
| Depreciation Expense                             | 2                           | 114                                         | -                         | 1                      | 6                                                      | -                               |
| Other Operating Expenses                         | 9,092                       | 1,034                                       | -                         | 35                     | -                                                      | -                               |
| Total Operating Expenses                         | 9,246                       | 4,399                                       | 1,384                     | 8,852                  | 530,541                                                | -                               |
| <b>OPERATING INCOME (LOSS)</b>                   | (35)                        | (273)                                       | 21,335                    | 676                    | (45,563)                                               | 582                             |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                             |                                             |                           |                        |                                                        |                                 |
| Interest and Investment Income                   | -                           | 10                                          | -                         | -                      | 4,941                                                  | -                               |
| Interest Expense                                 | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| Gain/(Loss) on Sale of Capital Assets            | 9                           | -                                           | -                         | -                      | -                                                      | -                               |
| Other Revenue (Expenses)                         | 47                          | -                                           | 3,957                     | -                      | -                                                      | -                               |
| Total Nonoperating Revenues (Expenses)           | 56                          | 10                                          | 3,957                     | -                      | 4,941                                                  | -                               |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>            | 21                          | (263)                                       | 25,292                    | 676                    | (40,622)                                               | 582                             |
| <b>TRANSFERS</b>                                 |                             |                                             |                           |                        |                                                        |                                 |
| Transfers In                                     | -                           | -                                           | -                         | -                      | 1,649                                                  | -                               |
| Transfers Out                                    | -                           | -                                           | (1,113)                   | -                      | (1,650)                                                | -                               |
| Total Transfers                                  | -                           | -                                           | (1,113)                   | -                      | (1)                                                    | -                               |
| <b>CHANGE IN NET POSITION</b>                    | 21                          | (263)                                       | 24,179                    | 676                    | (40,623)                                               | 582                             |
| Net Position - Beginning, As Originally Reported | (78)                        | 328                                         | 417,865                   | (2,525)                | 27,163                                                 | 22,739                          |
| Restatement (See Note 9)                         | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| Net Position - Beginning, as Restated            | (78)                        | 328                                         | 417,865                   | (2,525)                | 27,163                                                 | 22,739                          |
| <b>NET POSITION - ENDING</b>                     | (57)                        | 65                                          | 442,044                   | (1,849)                | (13,460)                                               | 23,321                          |



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                  | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Department<br>of Cultural<br>Affairs | Education<br>Trust<br>Board | Total      |
|--------------------------------------------------|-----------------------------------|-------------------------------------|--------------------------|--------------------------------------|-----------------------------|------------|
| <b>OPERATING REVENUES</b>                        |                                   |                                     |                          |                                      |                             |            |
| Charges for Services                             | \$ 1,139                          | \$ 28,936                           | \$ 13,899                | \$ 27                                | \$ 2,594                    | \$ 541,957 |
| Unemployment Insurance                           | 178,524                           | -                                   | -                        | -                                    | -                           | 178,524    |
| Federal Revenue                                  | 350                               | 1,958                               | -                        | -                                    | -                           | 20,967     |
| Loan and Other Income                            | 11,190                            | 551                                 | 4                        | -                                    | 604                         | 26,724     |
| Other Operating Revenues                         | 1,023                             | 167                                 | 36                       | -                                    | -                           | 3,974      |
| Total Operating Revenues                         | 192,226                           | 31,612                              | 13,939                   | 27                                   | 3,198                       | 772,146    |
| <b>OPERATING EXPENSES</b>                        |                                   |                                     |                          |                                      |                             |            |
| Benefits, Claims, and Premiums                   | 223,018                           | -                                   | -                        | -                                    | -                           | 243,733    |
| General and Administrative Expenses              | -                                 | 34,339                              | 15,457                   | 128                                  | 3,158                       | 576,505    |
| Depreciation Expense                             | -                                 | 2,379                               | 2,069                    | 87                                   | 40                          | 4,698      |
| Other Operating Expenses                         | -                                 | 18                                  | 9                        | -                                    | 6                           | 10,194     |
| Total Operating Expenses                         | 223,018                           | 36,736                              | 17,535                   | 215                                  | 3,204                       | 835,130    |
| <b>OPERATING INCOME (LOSS)</b>                   | (30,792)                          | (5,124)                             | (3,596)                  | (188)                                | (6)                         | (62,984)   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                                   |                                     |                          |                                      |                             |            |
| Interest and Investment Income                   | -                                 | -                                   | 601                      | (110)                                | -                           | 5,442      |
| Interest Expense                                 | -                                 | (145)                               | -                        | -                                    | (6)                         | (151)      |
| Gain/(Loss) on Sale of Capital Assets            | -                                 | -                                   | -                        | 75                                   | -                           | 84         |
| Other Revenue (Expenses)                         | -                                 | -                                   | -                        | -                                    | -                           | 4,004      |
| Total Nonoperating Revenues (Expenses)           | -                                 | (145)                               | 601                      | (35)                                 | (6)                         | 9,379      |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>            | (30,792)                          | (5,269)                             | (2,995)                  | (223)                                | (12)                        | (53,605)   |
| <b>TRANSFERS</b>                                 |                                   |                                     |                          |                                      |                             |            |
| Transfers In                                     | 432                               | 37,247                              | 2,682                    | -                                    | -                           | 42,010     |
| Transfers Out                                    | -                                 | (25,950)                            | -                        | -                                    | -                           | (28,713)   |
| Total Transfers                                  | 432                               | 11,297                              | 2,682                    | -                                    | -                           | 13,297     |
| <b>CHANGE IN NET POSITION</b>                    | (30,360)                          | 6,028                               | (313)                    | (223)                                | (12)                        | (40,308)   |
| Net Position - Beginning, As Originally Reported | 554,247                           | (26,783)                            | 32,624                   | 1,016                                | 9,855                       | 1,036,451  |
| Restatement (See Note 9)                         | 61,769                            | -                                   | -                        | -                                    | -                           | 61,769     |
| Net Position - Beginning, as Restated            | 616,016                           | (26,783)                            | 32,624                   | 1,016                                | 9,855                       | 1,098,220  |
| <b>NET POSITION - ENDING</b>                     | 585,656                           | (20,755)                            | 32,311                   | 793                                  | 9,843                       | 1,057,912  |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from:

- Fees for Service
- Sale of Products
- Gifts, Grants, and Contracts
- Loan and Note Repayments
- Unemployment Insurance
- Other Sources

Cash Payments to or for:

- Suppliers
- Employees
- Unemployment Benefits
- Loans, Loan Losses, Insurance Losses
- Other Payments

Net Cash Provided (Used) by Operating Activities

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Transfers In

Transfers Out

Other Noncapital Financing

Net Cash Provided by Noncapital Financing Activities

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of Capital Assets

Capital Debt Service Payments - Principal

Capital Debt Service Payments - Interest

Proceeds from Sale of Capital Assets

Other Capital Financing

Net Cash Provided (Used) by Capital and Related Financing Activities

**CASH FLOWS FROM INVESTING ACTIVITIES**

Receipts of Interest and Dividends of Investments

**NET INCREASE (DECREASE) IN CASH**

Cash and Cash Equivalents - Beginning of Year

**CASH AND CASH EQUIVALENTS - END OF YEAR**

**CASH AND CASH EQUIVALENTS**

Unrestricted

Investment in State Gen. Fund Investment Pool

Total Cash and Cash Equivalents

|         | Industries<br>for the Blind | Corrections<br>Industries<br>Revolving Fund | Environment<br>Department | New Mexico<br>Magazine | New Mexico<br>Public Schools<br>Insurance<br>Authority | State<br>Infrastructure<br>Bank |
|---------|-----------------------------|---------------------------------------------|---------------------------|------------------------|--------------------------------------------------------|---------------------------------|
| \$      | 9,203                       | \$ 3,051                                    | \$ -                      | \$ -                   | \$ 492,480                                             | \$ -                            |
| -       | -                           | -                                           | -                         | 9,535                  | -                                                      | -                               |
| -       | -                           | -                                           | 18,709                    | -                      | -                                                      | -                               |
| -       | -                           | -                                           | 15,465                    | -                      | -                                                      | -                               |
| -       | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| -       | -                           | 335                                         | 8,984                     | -                      | 4,928                                                  | 1,365                           |
| (8,525) | (8,525)                     | (1,207)                                     | -                         | (6,104)                | (26,390)                                               | -                               |
| (139)   | (139)                       | (1,816)                                     | -                         | (1,020)                | -                                                      | -                               |
| -       | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| -       | -                           | -                                           | -                         | -                      | (479,378)                                              | -                               |
| -       | -                           | (264)                                       | (25,809)                  | (1)                    | -                                                      | -                               |
| 539     | 539                         | 99                                          | 17,349                    | 2,410                  | (8,360)                                                | 1,365                           |
| -       | -                           | -                                           | -                         | -                      | 1,649                                                  | -                               |
| -       | -                           | -                                           | (1,113)                   | -                      | (1,650)                                                | -                               |
| 56      | 56                          | -                                           | 3,986                     | -                      | 15                                                     | -                               |
| 56      | 56                          | -                                           | 2,873                     | -                      | 14                                                     | -                               |
| -       | -                           | (40)                                        | -                         | -                      | -                                                      | -                               |
| -       | -                           | (3)                                         | -                         | -                      | (3)                                                    | -                               |
| -       | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| -       | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| -       | -                           | -                                           | -                         | -                      | -                                                      | -                               |
| -       | -                           | (43)                                        | -                         | -                      | (3)                                                    | -                               |
| -       | -                           | -                                           | -                         | -                      | 7,910                                                  | -                               |
| 595     | 595                         | 56                                          | 20,222                    | 2,410                  | (439)                                                  | 1,365                           |
| 208     | 208                         | 2,143                                       | 202,401                   | 462                    | 1,698                                                  | 12,229                          |
| \$ 803  | \$ 803                      | \$ 2,199                                    | \$ 222,623                | \$ 2,872               | \$ 1,259                                               | \$ 13,594                       |
| \$ -    | \$ -                        | \$ -                                        | \$ -                      | \$ -                   | \$ 685                                                 | \$ -                            |
| 803     | 803                         | 2,199                                       | 222,623                   | 2,872                  | 574                                                    | 13,594                          |
| \$ 803  | \$ 803                      | \$ 2,199                                    | \$ 222,623                | \$ 2,872               | \$ 1,259                                               | \$ 13,594                       |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                                      | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Dept. of<br>Cultural<br>Affairs | Education<br>Trust<br>Board | Total      |
|----------------------------------------------------------------------|-----------------------------------|-------------------------------------|--------------------------|---------------------------------|-----------------------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                                   |                                     |                          |                                 |                             |            |
| Cash Received from:                                                  |                                   |                                     |                          |                                 |                             |            |
| Fees for Service                                                     | \$ -                              | \$ 26,537                           | \$ -                     | \$ -                            | \$ -                        | \$ 531,271 |
| Sale of Products                                                     | -                                 | -                                   | 13,923                   | 27                              | -                           | 23,485     |
| Gifts, Grants, and Contracts                                         | 350                               | 1,463                               | -                        | -                               | 2,591                       | 23,113     |
| Loan and Note Repayments                                             | -                                 | -                                   | -                        | -                               | -                           | 15,465     |
| Unemployment Insurance                                               | 214,328                           | -                                   | -                        | -                               | -                           | 214,328    |
| Other Sources                                                        | 11,190                            | 2,068                               | 2,231                    | -                               | 604                         | 31,705     |
| Cash Payments to or for:                                             |                                   |                                     |                          |                                 |                             |            |
| Suppliers                                                            | -                                 | -                                   | (16,595)                 | (191)                           | (2,322)                     | (61,334)   |
| Employees                                                            | -                                 | (22,118)                            | -                        | -                               | (477)                       | (25,570)   |
| Unemployment Benefits                                                | (220,414)                         | -                                   | -                        | -                               | -                           | (220,414)  |
| Loans, Loan Losses, Insurance Losses                                 | -                                 | -                                   | -                        | -                               | -                           | (479,378)  |
| Other Payments                                                       | -                                 | (15,688)                            | -                        | -                               | (5)                         | (41,767)   |
| Net Cash Provided (Used) by Operating Activities                     | 5,454                             | (7,738)                             | (441)                    | (164)                           | 391                         | 10,904     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                                   |                                     |                          |                                 |                             |            |
| Transfers In                                                         | 432                               | 37,247                              | 2,682                    | -                               | -                           | 42,010     |
| Transfers Out                                                        | -                                 | (25,950)                            | -                        | -                               | -                           | (28,713)   |
| Other Noncapital Financing                                           | -                                 | -                                   | -                        | -                               | -                           | 4,057      |
| Net Cash Provided by Noncapital Financing Activities                 | 432                               | 11,297                              | 2,682                    | -                               | -                           | 17,354     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                                   |                                     |                          |                                 |                             |            |
| Acquisition of Capital Assets                                        | -                                 | (966)                               | (2,841)                  | -                               | -                           | (3,847)    |
| Capital Debt Service Payments - Principal                            | -                                 | (1,140)                             | -                        | -                               | -                           | (1,146)    |
| Capital Debt Service Payments - Interest                             | -                                 | (181)                               | -                        | -                               | (44)                        | (225)      |
| Proceeds from Sale of Capital Assets                                 | -                                 | -                                   | -                        | 75                              | -                           | 75         |
| Other Capital Financing                                              | -                                 | (148)                               | -                        | -                               | -                           | (148)      |
| Net Cash Provided (Used) by Capital and Related Financing Activities | -                                 | (2,435)                             | (2,841)                  | 75                              | (44)                        | (5,291)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                                   |                                     |                          |                                 |                             |            |
| Receipts of Interest and Dividends of Investments                    | -                                 | -                                   | 593                      | -                               | (261)                       | 8,242      |
| <b>NET INCREASE (DECREASE) IN CASH</b>                               |                                   |                                     |                          |                                 |                             |            |
| Cash and Cash Equivalents - Beginning of Year                        | 5,886                             | 1,124                               | (7)                      | (89)                            | 86                          | 31,209     |
| Cash and Cash Equivalents - End of Year                              | 407,949                           | 838                                 | 3,225                    | 813                             | 554                         | 632,520    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                       |                                   |                                     |                          |                                 |                             |            |
| <b>CASH AND CASH EQUIVALENTS</b>                                     |                                   |                                     |                          |                                 |                             |            |
| Unrestricted                                                         | \$ 415,573                        | \$ 209                              | \$ 1,659                 | \$ -                            | \$ -                        | \$ 418,126 |
| Investment in State Gen. Fund Investment Pool                        | (1,738)                           | 1,753                               | 1,559                    | 724                             | 640                         | 245,603    |
| Total Cash and Cash Equivalents                                      | \$ 413,835                        | \$ 1,962                            | \$ 3,218                 | \$ 724                          | \$ 640                      | \$ 663,729 |



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|    | Unemployment<br>Insurance<br>Fund | Miners'<br>Colfax Medical<br>Center | State Fair<br>Commission | Dept. of<br>Cultural<br>Affairs | Education<br>Trust<br>Board | Total       |
|----|-----------------------------------|-------------------------------------|--------------------------|---------------------------------|-----------------------------|-------------|
| \$ | (30,792)                          | \$ (5,124)                          | \$ (3,596)               | \$ (188)                        | \$ (6)                      | \$ (62,984) |
|    | -                                 | 2,379                               | 2,069                    | 87                              | 40                          | 4,698       |
|    | -                                 | (1,474)                             | 207                      | -                               | 294                         | (1,123)     |
|    | -                                 | (2,037)                             | (236)                    | -                               | (3)                         | (2,627)     |
|    | -                                 | 1,419                               | 117                      | -                               | (35)                        | 1,743       |
|    | -                                 | (925)                               | (67)                     | -                               | 28                          | (1,101)     |
|    | -                                 | 1,333                               | -                        | -                               | -                           | 1,333       |
|    | 2,605                             | (2,591)                             | 2,214                    | -                               | (3)                         | 10,315      |
|    | -                                 | (5)                                 | -                        | -                               | -                           | 746         |
|    | -                                 | -                                   | -                        | -                               | -                           | 20,692      |
|    | 33,641                            | (713)                               | 174                      | (63)                            | 76                          | 40,079      |
|    | -                                 | -                                   | (1,323)                  | -                               | -                           | (867)       |
| \$ | 5,454                             | \$ (7,738)                          | \$ (441)                 | \$ (164)                        | \$ 391                      | \$ 10,904   |

**RECONCILIATION OF OPERATING INCOME (LOSS)  
TO NET CASH PROVIDED (USED) BY OPERATING  
ACTIVITIES**

|                                                |  |
|------------------------------------------------|--|
| Operating Income (Loss)                        |  |
| Adjustments to Reconcile Operating Income      |  |
| (Loss) to Net Cash Provided (Used)             |  |
| by Operating Activities:                       |  |
| Depreciation                                   |  |
| Change in Net Pension Liability                |  |
| Change in Net OPEB Liability                   |  |
| Change in Deferred Outflows of Resources       |  |
| Change in Deferred Inflows of Resources        |  |
| Bad Debt Expense                               |  |
| Net Changes in Assets and Liabilities Related  |  |
| to Operating Activities:                       |  |
| Receivables - Due from Other Funds             |  |
| Inventories                                    |  |
| Prepaid Items and Other Assets                 |  |
| Accounts Payable and Accrued Liabilities - Due |  |
| to Other Funds                                 |  |
| Unearned Revenue                               |  |
| Net Cash Provided (Used) by Operating          |  |
| Activities                                     |  |

**STATE OF NEW MEXICO**  
**NONMAJOR INTERNAL SERVICE FUNDS COMBINING FINANCIAL STATEMENTS**

**Fleet Operations**

This fund accounts for the operations of the Transportation Motor Pool and the State Aircraft Pool, which provide ground and air transportation services to all state agencies on a fee basis.

**Risk Management**

This fund provides insurance coverage for all state agencies. Areas covered include public liability, workers compensation, group health and life, unemployment compensation, surety bond, and property insurance. Agencies are charged a premium based on several factors, including history and number of employees.

**Printing and Records**

This fund accounts for the provision of printing services of all kinds to state agencies according to an approved fee schedule. The fund also includes services for the retention and storage of public records for all state agencies, which pay an assessment based on size and usage.

**Communications Services**

This fund provides voice and data telecommunications services to all state agencies, which are assessed an annual fee based on size and prior usage.

**Information Processing**

This fund provides automated data processing services for all state agencies, which are assessed an annual fee based on size and prior usage.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

| <b>ASSETS</b>                        | <b>Fleet<br/>Operations</b> | <b>Risk<br/>Management</b> | <b>Printing<br/>and Records</b> | <b>Communication<br/>Services</b> | <b>Information<br/>Processing</b> | <b>Eliminations</b> | <b>Total</b> |
|--------------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------------|-----------------------------------|---------------------|--------------|
| Current Assets:                      |                             |                            |                                 |                                   |                                   |                     |              |
| Investment in the State General Fund |                             |                            |                                 |                                   |                                   |                     |              |
| Investment Pool                      | \$ 3,806                    | \$ 112,073                 | \$ 4,816                        | \$ 16,204                         | \$ 50,220                         | \$ -                | \$ 187,119   |
| Due from Other Funds                 | -                           | -                          | -                               | -                                 | 19,292                            | (19,292)            | -            |
| Receivables, Net                     | 35                          | 31,604                     | 176                             | 6,771                             | 1                                 | -                   | 38,587       |
| Total Current Assets                 | 3,841                       | 143,677                    | 4,992                           | 22,975                            | 69,513                            | (19,292)            | 225,706      |
| Noncurrent Assets:                   |                             |                            |                                 |                                   |                                   |                     |              |
| Nondepreciable Capital Assets        | -                           | -                          | -                               | 23,635                            | 1                                 | -                   | 23,636       |
| Capital Assets, Net                  | 24,328                      | 342                        | 912                             | 54,325                            | 12,326                            | -                   | 92,233       |
| Total Noncurrent Assets              | 24,328                      | 342                        | 912                             | 77,960                            | 12,327                            | -                   | 115,869      |
| Total Assets                         | 28,169                      | 144,019                    | 5,904                           | 100,935                           | 81,840                            | (19,292)            | 341,575      |
| DEFERRED OUTFLOWS OF RESOURCES       |                             |                            |                                 |                                   |                                   |                     |              |
| Deferred Outflows - OPEB             | 107                         | 304                        | 456                             | 757                               | 231                               | -                   | 1,855        |
| Deferred Outflows - Pension          | 542                         | 1,522                      | 2,278                           | 3,974                             | 983                               | -                   | 9,299        |
| Total Deferred Outflows              | 649                         | 1,826                      | 2,734                           | 4,731                             | 1,214                             | -                   | 11,154       |
| <b>LIABILITIES</b>                   |                             |                            |                                 |                                   |                                   |                     |              |
| Current Liabilities:                 |                             |                            |                                 |                                   |                                   |                     |              |
| Accounts Payable                     | 598                         | 44,328                     | 327                             | 1,487                             | 2,011                             | -                   | 48,751       |
| Accrued Liabilities                  | 46                          | 102                        | 101                             | 302                               | 5                                 | -                   | 556          |
| Unearned Revenue                     | -                           | 69                         | 1                               | -                                 | -                                 | -                   | 70           |
| Due to Other Funds                   | -                           | -                          | -                               | 15,659                            | 3,633                             | (19,292)            | -            |
| Funds Held for Others                | 1                           | (2)                        | -                               | -                                 | -                                 | -                   | (1)          |
| Other Liabilities                    | 1                           | 2                          | -                               | -                                 | -                                 | -                   | 3            |
| Total Current Liabilities            | 3,741                       | 236,884                    | 409                             | 1,602                             | 16                                | -                   | 242,652      |
| Noncurrent Liabilities:              | 4,387                       | 281,383                    | 838                             | 19,050                            | 5,665                             | (19,292)            | 292,031      |
| Net Pension Liability                | 3,449                       | 9,682                      | 14,495                          | 25,291                            | 6,256                             | -                   | 59,173       |
| Net OPEB Liability                   | 340                         | 968                        | 1,455                           | 2,414                             | 736                               | -                   | 5,913        |
| Other Liabilities                    | 2,494                       | 241,639                    | 413                             | 6,323                             | -                                 | -                   | 250,869      |
| Total Noncurrent Liabilities         | 6,283                       | 252,289                    | 16,363                          | 34,028                            | 6,992                             | -                   | 315,955      |
| Total Liabilities                    | 10,670                      | 533,672                    | 17,201                          | 53,078                            | 12,657                            | (19,292)            | 607,986      |
| DEFERRED INFLOWS OF RESOURCES        |                             |                            |                                 |                                   |                                   |                     |              |
| Deferred Inflows - Pension           | 76                          | 211                        | 317                             | 553                               | 136                               | -                   | 1,293        |
| Deferred Inflows - OPEB              | 394                         | 1,120                      | 1,683                           | 2,791                             | 851                               | -                   | 6,839        |
| Total Deferred Inflows               | 470                         | 1,331                      | 2,000                           | 3,344                             | 987                               | -                   | 8,132        |
| <b>NET POSITION</b>                  |                             |                            |                                 |                                   |                                   |                     |              |
| Net Investment in Capital Assets     | 18,263                      | (2)                        | 458                             | 70,944                            | 12,322                            | -                   | 101,985      |
| Restricted for Other Purposes        | -                           | -                          | -                               | 4,613                             | 63,850                            | -                   | 68,463       |
| Unrestricted (Deficit)               | (585)                       | (389,156)                  | (11,021)                        | (26,313)                          | (6,762)                           | -                   | (433,837)    |
| Total Net Position                   | \$ 17,678                   | \$ (389,158)               | \$ (10,563)                     | \$ 49,244                         | \$ 69,410                         | \$ -                | \$ (263,389) |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                         | Fleet<br>Operations | Risk<br>Management | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations | Total        |
|-----------------------------------------|---------------------|--------------------|-------------------------|---------------------------|---------------------------|--------------|--------------|
| <b>OPERATING REVENUES</b>               |                     |                    |                         |                           |                           |              |              |
| Charges for Services                    | \$ 9,160            | \$ 515,645         | \$ 2,981                | \$ 54,504                 | \$ 9,090                  | \$ -         | \$ 591,380   |
| Federal Revenues                        | -                   | 55,006             | -                       | -                         | -                         | -            | 55,006       |
| Total Operating Revenues                | 9,160               | 570,651            | 2,981                   | 54,504                    | 9,090                     | -            | 646,386      |
| <b>OPERATING EXPENSES</b>               |                     |                    |                         |                           |                           |              |              |
| General and Administrative Expenses     | 5,553               | 837,344            | 7,001                   | 43,491                    | 6,005                     | -            | 899,394      |
| Depreciation Expense                    | 7,104               | 47                 | 377                     | 18,481                    | 3,636                     | -            | 29,645       |
| Other Operating Expenses                | 44                  | 7,899              | 290                     | (1,336)                   | 980                       | -            | 7,877        |
| Total Operating Expenses                | 12,701              | 845,290            | 7,668                   | 60,636                    | 10,621                    | -            | 936,916      |
| <b>OPERATING LOSS</b>                   | (3,541)             | (274,639)          | (4,687)                 | (6,132)                   | (1,531)                   | -            | (290,530)    |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                     |                    |                         |                           |                           |              |              |
| Interest and Investment Income          | (2)                 | 4,190              | -                       | -                         | 1,348                     | -            | 5,536        |
| Interest Expense                        | (28)                | (1)                | (9)                     | (146)                     | -                         | -            | (184)        |
| Gain (Loss) on Sale of Capital Assets   | 103                 | -                  | 427                     | (7)                       | (70)                      | -            | 453          |
| Nonoperating Revenues (Expenses)        | 11                  | 12,428             | 42                      | 49                        | -                         | -            | 12,530       |
| Total Nonoperating Revenues (Expenses)  | 84                  | 16,617             | 460                     | (104)                     | 1,278                     | -            | 18,335       |
| <b>LOSS BEFORE TRANSFERS</b>            | (3,457)             | (258,022)          | (4,227)                 | (6,236)                   | (253)                     | -            | (272,195)    |
| <b>TRANSFERS</b>                        |                     |                    |                         |                           |                           |              |              |
| Transfers In                            | 12,112              | 96,088             | 5,168                   | 27,698                    | 20,198                    | (35,194)     | 126,070      |
| Transfers Out                           | (436)               | (14,507)           | (62)                    | (16,915)                  | (14,014)                  | 35,194       | (10,740)     |
| Total Transfers                         | 11,676              | 81,581             | 5,106                   | 10,783                    | 6,184                     | -            | 115,330      |
| <b>CHANGE IN NET POSITION</b>           |                     |                    |                         |                           |                           |              |              |
| Net Position - Beginning                | 8,219               | (176,441)          | 879                     | 4,547                     | 5,931                     | -            | (156,865)    |
|                                         | 9,459               | (212,717)          | (11,442)                | 44,697                    | 63,479                    | -            | (106,524)    |
| <b>NET POSITION - ENDING</b>            | \$ 17,678           | \$ (389,158)       | \$ (10,563)             | \$ 49,244                 | \$ 69,410                 | \$ -         | \$ (263,389) |

(276)



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                                      | Fleet<br>Operations | Risk<br>Management | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations | Total      |
|----------------------------------------------------------------------|---------------------|--------------------|-------------------------|---------------------------|---------------------------|--------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                     |                    |                         |                           |                           |              |            |
| Cash Received from:                                                  |                     |                    |                         |                           |                           |              |            |
| Fees for Service                                                     | \$ 9,131            | \$ 506,473         | \$ 2,830                | \$ 53,171                 | \$ 9,124                  | \$ -         | \$ 580,729 |
| Other Sources                                                        | -                   | 59,196             | 40                      | -                         | 1,348                     | -            | 60,584     |
| Cash Payments to or for:                                             |                     |                    |                         |                           |                           |              |            |
| Suppliers                                                            | (3,108)             | (64,862)           | (2,431)                 | (27,287)                  | (5,809)                   | -            | (103,497)  |
| Employees                                                            | (2,509)             | (4,597)            | (4,478)                 | (13,451)                  | (2,060)                   | -            | (27,095)   |
| Claims                                                               | -                   | (532,701)          | -                       | -                         | -                         | -            | (532,701)  |
| Net Cash Provided (Used) by Operating Activities                     | 3,514               | (36,491)           | (4,039)                 | 12,433                    | 2,603                     | -            | (21,980)   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                     |                    |                         |                           |                           |              |            |
| Transfers In                                                         | 557                 | 96,088             | 5,161                   | 1,257                     | 20,198                    | (25,710)     | 97,551     |
| Transfers Out                                                        | (427)               | (14,507)           | (62)                    | (16,915)                  | (4,539)                   | 25,710       | (10,740)   |
| Other Noncapital Financing                                           | 9                   | 4,189              | 50                      | -                         | -                         | -            | 4,248      |
| Net Cash Provided (Used) by Noncapital Financing Activities          | 139                 | 85,770             | 5,149                   | (15,658)                  | 15,659                    | -            | 91,059     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                     |                    |                         |                           |                           |              |            |
| Proceeds from Sale of Capital Assets                                 | 124                 | -                  | 428                     | -                         | -                         | -            | 552        |
| Capital Debt Service Payments - Principal                            | (3,200)             | (45)               | (205)                   | (1,977)                   | -                         | -            | (5,427)    |
| Capital Debt Service Payments - Interest                             | (28)                | (1)                | (9)                     | (146)                     | -                         | -            | (184)      |
| Other Capital Financing                                              | -                   | -                  | -                       | 1,307                     | -                         | -            | 1,307      |
| Acquisition of Capital Assets                                        | (2,276)             | -                  | (163)                   | (2,839)                   | (10,452)                  | -            | (15,730)   |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (5,380)             | (46)               | 51                      | (3,655)                   | (10,452)                  | -            | (19,482)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                     |                    |                         |                           |                           |              |            |
| Receipts of Interest and Dividends of Investments                    | -                   | 12,332             | -                       | -                         | -                         | -            | 12,332     |
| <b>NET INCREASE (DECREASE) IN CASH</b>                               |                     |                    |                         |                           |                           |              |            |
| Cash and Cash Equivalents - Beginning                                | (1,727)             | 61,565             | 1,161                   | (6,880)                   | 7,810                     | -            | 61,929     |
|                                                                      | 5,533               | 50,508             | 3,655                   | 23,084                    | 42,410                    | -            | 125,190    |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>                            |                     |                    |                         |                           |                           |              |            |
|                                                                      | \$ 3,806            | \$ 112,073         | \$ 4,816                | \$ 16,204                 | \$ 50,220                 | \$ -         | \$ 187,119 |
| <b>CASH AND CASH EQUIVALENTS</b>                                     |                     |                    |                         |                           |                           |              |            |
| Investment in the State General Fund Investment Pool                 | \$ 3,806            | \$ 112,073         | \$ 4,816                | \$ 16,204                 | \$ 50,220                 | \$ -         | \$ 187,119 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

**RECONCILIATION OF OPERATING LOSS**

**TO NET CASH PROVIDED (USED) BY**

**OPERATING ACTIVITIES**

|                                                     |  |
|-----------------------------------------------------|--|
| Operating Loss                                      |  |
| Adjustments to Reconcile Operating Loss to Net Cash |  |
| Provided (Used) by Operating Activities:            |  |
| Depreciation                                        |  |
| Change in Net Pension Liability                     |  |
| Change in Net OPEB Liability                        |  |
| Change in Deferred Outflows of Resources            |  |
| Change in Deferred Inflows of Resources             |  |
| Net Changes in Assets and Liabilities Related       |  |
| to Operating Activities:                            |  |
| Receivables - Due from Other Funds                  |  |
| Insurance Claims Payable                            |  |
| Accounts Payable and Accrued Liabilities - Due      |  |
| to Other Funds                                      |  |
| Net Cash Provided (Used) by Operating               |  |
| Activities                                          |  |

**NONCASH CAPITAL FINANCING TRANSACTIONS**

|                                 |  |
|---------------------------------|--|
| Transfers In of Capital Assets  |  |
| Transfers Out of Capital Assets |  |
| Lease Inception                 |  |
| Loss on Early Termination       |  |

|    | Fleet<br>Operations | Risk<br>Management | Printing<br>and Records | Communication<br>Services | Information<br>Processing | Eliminations | Total        |
|----|---------------------|--------------------|-------------------------|---------------------------|---------------------------|--------------|--------------|
| \$ | (3,541)             | \$ (274,639)       | \$ (4,687)              | \$ (6,132)                | \$ (1,531)                | \$ -         | \$ (290,530) |
|    | 7,104               | 47                 | 386                     | 18,480                    | 3,633                     | -            | 29,650       |
|    | (81)                | 25                 | 706                     | (441)                     | 926                       | -            | 1,135        |
|    | (172)               | (418)              | (525)                   | (1,197)                   | (40)                      | -            | (2,352)      |
|    | 112                 | 250                | 230                     | 775                       | (65)                      | -            | 1,302        |
|    | (79)                | (154)              | (121)                   | (538)                     | 159                       | -            | (733)        |
|    | (31)                | (9,174)            | (153)                   | (1,389)                   | (2,484)                   | -            | (13,231)     |
|    | -                   | 242,071            | -                       | -                         | -                         | -            | 242,071      |
|    | 202                 | 5,501              | 125                     | 2,875                     | 2,005                     | -            | 10,708       |
| \$ | 3,514               | \$ (36,491)        | \$ (4,039)              | \$ 12,433                 | \$ 2,603                  | \$ -         | \$ (21,980)  |
| \$ | 11,555              | \$ -               | \$ 7                    | \$ 26,441                 | \$ -                      | \$ (9,484)   | \$ 28,519    |
| \$ | (9)                 | \$ -               | \$ -                    | \$ -                      | \$ (9,475)                | \$ 9,484     | \$ -         |
| \$ | 2,395               | \$ 298             | \$ 8                    | \$ -                      | \$ -                      | \$ -         | \$ 2,701     |
| \$ | (2)                 | \$ -               | \$ -                    | \$ -                      | \$ -                      | \$ -         | \$ (2)       |

**STATE OF NEW MEXICO  
FIDUCIARY FUNDS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS FINANCIAL STATEMENTS**

**Public Employees Retirement Association - (PERA)**

PERA is a qualified, defined benefit, government retirement plan established by the State of New Mexico to provide pension benefits for all State, County, and Municipal employees, police, firefighters, judges, magistrates, and legislators. PERA is comprised of four separate systems which offer an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators.

**Educational Employees' Retirement System (EERS)**

EERS is a qualified, defined benefit, governmental retirement plan established and administered by the State of New Mexico to provide pension benefits for all state certified employees, teachers, and other employees of the State educational institutions, junior colleges, and technical vocational institutes.

**New Mexico Retiree Health Care Authority (RHCA)**

RHCA is a cost-sharing, multiemployer defined benefit postemployment healthcare plan that provides comprehensive core group health insurance for persons who have retired from public service with entities in the State of New Mexico.

**Deferred Compensation Plan (IRC 457)**

The State of New Mexico offers its employees a deferred compensation plan (the Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the "Deferred Compensation Act," is in accordance with IRC Section 457. The Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Public Employee's Retiree Association is the trustee of the Plan; however, the Plan is administered by a third-party administrator acting under contract with PERA.

**University of New Mexico Retiree Welfare Benefit Trust**

The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) is a voluntary employees' beneficiary association (VEBA) trust that is tax-exempt under Section 501(c)(9) of the IRC and is presented as a fiduciary fund in the University's financial statements. The VEBA Trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of other postemployment benefits (OPEB) for eligible retirees of the University.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                  | Public Employees Retirement |            | Educational Employees Retirement System |           | New Mexico Retiree Health Care Authority |         | Deferred Compensation (IRC 457) Plan |        | UNM Retiree Welfare Benefit Trust |    | Total      |
|--------------------------------------------------|-----------------------------|------------|-----------------------------------------|-----------|------------------------------------------|---------|--------------------------------------|--------|-----------------------------------|----|------------|
|                                                  | \$                          | \$         | \$                                      | \$        | \$                                       | \$      | \$                                   | \$     | \$                                | \$ |            |
| <b>ASSETS</b>                                    |                             |            |                                         |           |                                          |         |                                      |        |                                   |    |            |
| Cash and Short-Term Investments                  | 944,331                     | 304,000    |                                         |           |                                          |         |                                      |        |                                   |    | 1,321,204  |
| Investment in State General Fund Investment Pool | 50,212                      | 12,296     |                                         |           | 79,083                                   |         | 20                                   |        | 72,873                            |    | 141,611    |
| Investments:                                     |                             |            |                                         |           |                                          |         |                                      |        |                                   |    |            |
| Investment Pools at SIC                          | -                           | -          | -                                       | 1,513,202 |                                          |         |                                      |        |                                   |    | 1,513,202  |
| International Securities                         | 1,945,885                   | -          | -                                       | -         | -                                        | -       | -                                    | -      | -                                 | -  | 1,945,885  |
| Corporate Equity Securities                      | 6,965,917                   | 4,642,423  |                                         |           | -                                        | -       | -                                    | -      | -                                 | -  | 11,608,340 |
| Corporate and Municipal Bonds                    | -                           | 876,458    |                                         |           | -                                        | -       | -                                    | -      | -                                 | -  | 876,458    |
| Partnerships and Other Investments               | 7,691,045                   | 11,495,184 |                                         |           | -                                        | -       | -                                    | -      | -                                 | -  | 19,186,229 |
| Securities Lending Collateral Investments        | 565,986                     | -          |                                         |           | -                                        | -       | -                                    | -      | -                                 | -  | 565,986    |
| Deferred Compensation Plan Investments           | -                           | -          |                                         |           | -                                        | 840,689 |                                      | -      | -                                 | -  | 840,689    |
| Receivables:                                     |                             |            |                                         |           |                                          |         |                                      |        |                                   |    |            |
| Brokers                                          | 84,534                      | 3,540      |                                         |           | -                                        | -       | -                                    | -      | -                                 | -  | 88,074     |
| Accrued Interest and Other                       | -                           | 11,401     |                                         |           | -                                        | -       | -                                    | -      | -                                 | -  | 11,401     |
| Accounts Receivable                              | 24,942                      | 149,442    |                                         |           | 17,711                                   | 25      |                                      | 4      |                                   |    | 192,124    |
| Other State Agencies                             | 200                         | -          |                                         |           | 3,856                                    | -       | -                                    | -      | -                                 | -  | 4,056      |
| Component Units                                  | -                           | -          |                                         |           | 570                                      | -       | -                                    | -      | -                                 | -  | 570        |
| Participant Loans                                | -                           | -          |                                         |           | 86                                       | 10,526  | -                                    | -      | -                                 | -  | 10,612     |
| Long-Term Receivables                            | -                           | -          |                                         |           | 531                                      | -       | -                                    | -      | -                                 | -  | 531        |
| Capital Assets, Net                              | 10,883                      | 13,632     |                                         |           | 1,371                                    | -       | -                                    | -      | -                                 | -  | 25,886     |
| Total Assets                                     | 18,283,935                  | 17,508,376 |                                         |           | 1,616,410                                | 851,260 |                                      | 72,877 |                                   |    | 38,332,858 |
| <b>LIABILITIES</b>                               |                             |            |                                         |           |                                          |         |                                      |        |                                   |    |            |
| Accounts Payable                                 | 3,989                       | 4,667      |                                         |           | 13,920                                   | 1       |                                      |        |                                   |    | 22,577     |
| Accrued Liabilities                              | 193                         | 194        |                                         |           | 50                                       | 2       |                                      |        |                                   |    | 439        |
| Due to Brokers                                   | 100,170                     | 1,279      |                                         |           | -                                        | -       |                                      |        |                                   |    | 101,449    |
| Unearned Revenue                                 | -                           | -          |                                         |           | 275                                      | -       |                                      |        |                                   |    | 275        |
| Deposits Held in Trust                           | 3,707                       | -          |                                         |           | -                                        | -       |                                      |        |                                   |    | 3,707      |
| Other Liabilities                                | 565,978                     | 707        |                                         |           | (1)                                      | -       |                                      | 302    |                                   |    | 566,986    |
| Long-Term Liabilities                            | 2,784                       | 3,316      |                                         |           | 20,201                                   | 12      |                                      |        |                                   |    | 26,313     |
| Total Liabilities                                | 676,821                     | 10,163     |                                         |           | 34,445                                   | 15      |                                      | 302    |                                   |    | 721,746    |
| <b>NET POSITION</b>                              |                             |            |                                         |           |                                          |         |                                      |        |                                   |    |            |
| Restricted for:                                  |                             |            |                                         |           |                                          |         |                                      |        |                                   |    |            |
| Pension Benefits                                 | 17,607,114                  | 17,498,213 |                                         |           | -                                        | -       |                                      | 72,575 |                                   |    | 35,177,902 |
| Other Employee Benefits                          | -                           | -          |                                         |           | 1,581,965                                | -       |                                      | -      |                                   |    | 1,581,965  |
| Defined Contribution                             | -                           | -          |                                         |           | -                                        | 851,245 |                                      | -      |                                   |    | 851,245    |
| Net Position                                     | 17,607,114                  | 17,498,213 |                                         |           | 1,581,965                                | 851,245 |                                      | 72,575 |                                   |    | 37,611,112 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                              | Public<br>Employees<br>Retirement | Educational<br>Employees<br>Retirement<br>System | New Mexico<br>Retiree Health<br>Care Authority | Deferred<br>Compensation<br>(IRC 457) Plan | UNM<br>Retiree Welfare<br>Benefit Trust | Eliminations | Total         |
|----------------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------------------|--------------------------------------------|-----------------------------------------|--------------|---------------|
| <b>ADDITIONS</b>                             |                                   |                                                  |                                                |                                            |                                         |              |               |
| Contributions:                               |                                   |                                                  |                                                |                                            |                                         |              |               |
| Employee Contributions                       | \$ 431,950                        | \$ 438,000                                       | \$ 174,823                                     | \$ 50,055                                  | \$ 1,946                                | \$ -         | \$ 1,096,774  |
| Employer Contributions                       | 527,102                           | 770,384                                          | 191,041                                        | -                                          | 1,946                                   | -            | 1,490,473     |
| Other                                        | 87                                | -                                                | 3,667                                          | -                                          | -                                       | -            | 3,754         |
| Total Contributions                          | 959,139                           | 1,208,384                                        | 369,531                                        | 50,055                                     | 3,892                                   | -            | 2,591,001     |
| Investment Income:                           |                                   |                                                  |                                                |                                            |                                         |              |               |
| Net Increase in Fair Value<br>of Investments | 303,510                           | 111,180                                          | 3,701                                          | 16,328                                     | 7,248                                   | -            | 441,967       |
| Interest and Dividends                       | 1,118,787                         | 1,890,176                                        | 111,613                                        | 76,268                                     | -                                       | -            | 3,196,844     |
| Subtotal                                     | 1,422,297                         | 2,001,356                                        | 115,314                                        | 92,596                                     | 7,248                                   | -            | 3,638,811     |
| Less: Investment Expense                     | 69,090                            | 512,825                                          | -                                              | -                                          | -                                       | -            | 581,915       |
| Net Investment Income                        | 1,353,207                         | 1,488,531                                        | 115,314                                        | 92,596                                     | 7,248                                   | -            | 3,056,896     |
| Other Additions:                             |                                   |                                                  |                                                |                                            |                                         |              |               |
| Other Operating Revenues                     | 6,940                             | 1,313                                            | 87,283                                         | 100                                        | -                                       | -            | 95,636        |
| Total Other Additions                        | 6,940                             | 1,313                                            | 87,283                                         | 100                                        | -                                       | -            | 95,636        |
| Total Additions                              | 2,319,286                         | 2,698,228                                        | 572,128                                        | 142,751                                    | 11,140                                  | -            | 5,743,533     |
| <b>DEDUCTIONS</b>                            |                                   |                                                  |                                                |                                            |                                         |              |               |
| Benefits and Claims                          | 1,467,032                         | 1,380,637                                        | -                                              | 68,955                                     | -                                       | -            | 2,916,624     |
| Refunds                                      | 52,845                            | 67,049                                           | 458                                            | -                                          | -                                       | -            | 120,352       |
| General and Administrative Expenses          | 16,484                            | 13,471                                           | 332,316                                        | 2,105                                      | 8                                       | -            | 364,384       |
| Other Operating Expenses                     | 896                               | 649                                              | 4,113                                          | -                                          | -                                       | -            | 5,658         |
| Total Deductions                             | 1,537,257                         | 1,461,806                                        | 336,887                                        | 71,060                                     | 8                                       | -            | 3,407,018     |
| <b>CHANGE IN NET POSITION</b>                | 782,029                           | 1,236,422                                        | 235,241                                        | 71,691                                     | 11,132                                  | -            | 2,336,515     |
| Net Position - Beginning                     | 16,825,085                        | 16,261,791                                       | 1,346,724                                      | 779,554                                    | 61,443                                  | -            | 35,274,597    |
| <b>NET POSITION - ENDING</b>                 | \$ 17,607,114                     | \$ 17,498,213                                    | \$ 1,581,965                                   | \$ 851,245                                 | \$ 72,575                               | \$ -         | \$ 37,611,112 |

**STATE OF NEW MEXICO  
FIDUCIARY FUNDS  
EXTERNAL INVESTMENT TRUST FUNDS FINANCIAL STATEMENTS**

**State Investment Council**

The State Investment Council (the Council) is responsible for the investment activities of certain State of New Mexico Trust Funds. Pursuant to New Mexico law, the Council created the following investment pools: Large Capitalization Active, Large Capitalization Index, Core Bonds, Structured Credit, Mid\Small Capitalization, Non-U.S. Equity Securities, Non-U.S. Emerging Markets, and Absolute Bonds. The investment pools provide long-term investment opportunities for state agencies and designated institutions that have funds available for a long-term investment program that will extend for more than one year. Only the portion of the fund that is not owned by the State is presented as an External Trust Fund. Other portions of the fund that are owned by State entities are presented in both the Governmental Funds and Proprietary Funds as assets of those respective entities.

**State Treasurer**

The Office of the State Treasurer holds and invests monies for other state agencies and local governments through the Local Government Investment Pool. Only the portion of the fund that is not owned by the State is presented as an External Trust Fund. Other portions of the fund that are owned by the State are presented in both the Governmental Funds and Proprietary Funds as assets of those respective entities.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**EXTERNAL INVESTMENTS TRUST FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                                            | State<br>Investment<br>Council | State<br>Treasurer         | Total                      |
|------------------------------------------------------------|--------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                              |                                |                            |                            |
| Cash and Cash Equivalents                                  | \$ 4,023                       | \$ -                       | \$ 4,023                   |
| Investment in Local Government<br>Investment Pool          | -                              | 81                         | 81                         |
| Investments                                                | 162,553                        | 1,727,243                  | 1,889,796                  |
| Receivables                                                | 5,169                          | 4,528                      | 9,697                      |
| Total Assets                                               | <u>171,745</u>                 | <u>1,731,852</u>           | <u>1,903,597</u>           |
| <b>LIABILITIES</b>                                         |                                |                            |                            |
| Other Liabilities                                          | 6,540                          | 36,932                     | 43,472                     |
| Total Liabilities                                          | <u>6,540</u>                   | <u>36,932</u>              | <u>43,472</u>              |
| <b>NET POSITION</b>                                        |                                |                            |                            |
| Held in Trust for External Investment<br>Pool Participants | <u>165,205</u>                 | <u>1,694,920</u>           | <u>1,860,125</u>           |
| Net Position                                               | <u><u>\$ 165,205</u></u>       | <u><u>\$ 1,694,920</u></u> | <u><u>\$ 1,860,125</u></u> |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**EXTERNAL INVESTMENTS TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                     | State<br>Investment<br>Council | State<br>Treasurer         | Total                      |
|-------------------------------------|--------------------------------|----------------------------|----------------------------|
| <b>ADDITIONS</b>                    |                                |                            |                            |
| Pool Participant Deposits           | \$ 11,552                      | \$ 886,237                 | \$ 897,789                 |
| Investment Income (Loss):           |                                |                            |                            |
| Net Increase in Fair Value of       |                                |                            |                            |
| Investments                         | 148,861                        | 36,418                     | 185,279                    |
| Interest and Dividends              | <u>(125,867)</u>               | <u>734</u>                 | <u>(125,133)</u>           |
| Total Additions                     | 34,546                         | 923,389                    | 957,935                    |
| <b>DEDUCTIONS</b>                   |                                |                            |                            |
| General and Administrative Expenses | -                              | 870                        | 870                        |
| Distributions                       | <u>17,911</u>                  | <u>644,340</u>             | <u>662,251</u>             |
| Total Deductions                    | <u>17,911</u>                  | <u>645,210</u>             | <u>663,121</u>             |
| <b>CHANGE IN NET POSITION</b>       | 16,635                         | 278,179                    | 294,814                    |
| Net Position - Beginning            | <u>148,570</u>                 | <u>1,416,741</u>           | <u>1,565,311</u>           |
| <b>NET POSITION - ENDING</b>        | <u><u>\$ 165,205</u></u>       | <u><u>\$ 1,694,920</u></u> | <u><u>\$ 1,860,125</u></u> |



**STATE OF NEW MEXICO  
FIDUCIARY FUNDS  
PRIVATE-PURPOSE TRUST FUNDS FINANCIAL STATEMENTS**

**Scholarship Fund**

This grouping includes scholarship trust funds administered by the Higher Education Department and the Public Education Department.

**Higher Education Savings Fund**

The 529 Higher Education Savings Plan is a variable return college savings program that enables individuals to save and invest in order to fund future higher education expenses of a child or beneficiary. The program is designed to be a qualified tuition program under Section 529 of the IRC of 1986, as amended, and is maintained by the Education Trust Board.

**Bartlett Trust Fund**

The Cultural Affairs Department is the administrator of a trust fund which was privately endowed for the benefit of the Museum of International Folk Art.

**Office of Superintendent of Insurance**

This fund is comprised of two funds:

- a) Patient's Compensation Fund – This is a medical malpractice insurance risk – assuming fund mandated by the Medical Malpractice Act.
- b) Trust Fund for Policyholders and Creditors of insurance companies which have entered into receivership.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                  | Scholarship |    | Higher Education Savings |           | Bartlett Trust |     | Office of State Insurance |         | Total |           |
|----------------------------------|-------------|----|--------------------------|-----------|----------------|-----|---------------------------|---------|-------|-----------|
|                                  |             |    |                          |           |                |     |                           |         |       |           |
| <b>ASSETS</b>                    |             |    |                          |           |                |     |                           |         |       |           |
| Cash and Cash Equivalents        | \$          | 20 | \$                       | 7,916     | \$             | -   | \$                        | 23,226  | \$    | 31,162    |
| Investment in State General Fund |             |    |                          |           |                |     |                           |         |       |           |
| Investment Pool                  |             | 52 |                          | -         |                | 120 |                           | 262,558 |       | 262,730   |
| Investments:                     |             |    |                          |           |                |     |                           |         |       |           |
| Investment Pools                 |             | -  |                          | 2,340,528 |                | -   |                           | 662,025 |       | 3,002,553 |
| Receivables:                     |             |    |                          |           |                |     |                           |         |       |           |
| Accrued Interest and Other       |             | -  |                          | 8         |                | -   |                           | -       |       | 8         |
| Total Assets                     |             | 72 |                          | 2,348,452 |                | 120 |                           | 947,809 |       | 3,296,453 |
| <b>LIABILITIES</b>               |             |    |                          |           |                |     |                           |         |       |           |
| Accounts Payable                 |             | -  |                          | -         |                | -   |                           | 6,570   |       | 6,570     |
| Accrued Liabilities              |             | -  |                          | 1,451     |                | -   |                           | -       |       | 1,451     |
| Unearned Revenue                 |             | -  |                          | -         |                | -   |                           | 55,806  |       | 55,806    |
| Other Liabilities                |             | -  |                          | 108       |                | -   |                           | 289,322 |       | 289,430   |
| Total Liabilities                |             | -  |                          | 1,559     |                | -   |                           | 351,698 |       | 353,257   |
| <b>NET POSITION</b>              |             |    |                          |           |                |     |                           |         |       |           |
| Held in Trust for Other Purposes |             | 72 |                          | 2,346,893 |                | 120 |                           | 596,111 |       | 2,943,196 |
| Net Position                     | \$          | 72 | \$                       | 2,346,893 | \$             | 120 | \$                        | 596,111 | \$    | 2,943,196 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

**ADDITIONS**

Member Contributions  
Total Contributions

| Scholarship | Higher<br>Education<br>Savings | Bartlett<br>Trust | Office<br>of State<br>Insurance | Total      |
|-------------|--------------------------------|-------------------|---------------------------------|------------|
| \$ -        | \$ 178,178                     | \$ -              | \$ 173,823                      | \$ 352,001 |
| -           | 178,178                        | -                 | 173,823                         | 352,001    |

Investment Income (Loss):

Net Increase (Decrease) in Fair Value  
of Investments  
Interest and Dividends  
Subtotal  
Less: Investment Expense  
Net Investment Income (Loss)

|   |         |   |          |         |
|---|---------|---|----------|---------|
| - | 177,992 | - | (19,282) | 158,710 |
| 1 | 52,673  | 4 | 8,495    | 61,173  |
| 1 | 230,665 | 4 | (10,787) | 219,883 |
| - | 1,937   | - | 330      | 2,267   |
| 1 | 228,728 | 4 | (11,117) | 217,616 |

Other Additions:

Other Operating Revenues  
Total Other Additions

|   |   |   |         |         |
|---|---|---|---------|---------|
| - | - | - | 144,908 | 144,908 |
| - | - | - | 144,908 | 144,908 |

Total Additions

|   |         |   |         |         |
|---|---------|---|---------|---------|
| 1 | 406,906 | 4 | 307,614 | 714,525 |
|---|---------|---|---------|---------|

**DEDUCTIONS**

Distributions  
General and Administrative Expenses  
Total Deductions

|   |         |   |         |         |
|---|---------|---|---------|---------|
| - | 336,009 | - | 128,762 | 464,771 |
| - | 7,663   | - | 95,595  | 103,258 |
| - | 343,672 | - | 224,357 | 568,029 |

**CHANGE IN NET POSITION**

Net Position - Beginning

|    |           |     |         |           |
|----|-----------|-----|---------|-----------|
| 71 | 2,283,659 | 116 | 512,854 | 2,796,700 |
|----|-----------|-----|---------|-----------|

**NET POSITION - ENDING**

|       |              |        |            |              |
|-------|--------------|--------|------------|--------------|
| \$ 72 | \$ 2,346,893 | \$ 120 | \$ 596,111 | \$ 2,943,196 |
|-------|--------------|--------|------------|--------------|

**STATE OF NEW MEXICO  
NONMAJOR COMPONENT UNITS**

**Nonmajor Component Units**

There were 16 nonmajor component units at June 30, 2024. They are as follows: UNM Alumni Association; UNM Lobo Club; New Mexico Tech Foundation; New Mexico Highlands University (NMHU) Foundation; Western New Mexico University Foundation; Eastern New Mexico University (ENMU) Foundation; ENMU Roswell Foundation; ENMU Ruidoso Foundation; Northern New Mexico College Foundation; New Mexico Military Institute Foundation; New Mexico School for the Visually Impaired Foundation; Cumbres & Toltec Scenic Railroad Commission; New Mexico Renewable Transmission Authority; the New Mexico Small Business Investment Corporation; State-chartered Charter Schools; and New Mexico Hospital Equipment Loan Council.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**ASSETS**

Current Assets:

|                                      |        |    |       |    |        |    |       |    |       |    |     |    |    |    |     |    |     |
|--------------------------------------|--------|----|-------|----|--------|----|-------|----|-------|----|-----|----|----|----|-----|----|-----|
| Cash and Cash Equivalents            | 435    | \$ | 6,511 | \$ | 2,114  | \$ | 1,023 | \$ | 544   | \$ | 336 | \$ | 49 | \$ | 108 | \$ | 121 |
| Investment in Local Government       | -      |    | -     |    | -      |    | -     |    | -     |    | -   |    | -  |    | -   |    | -   |
| Investment Pool                      | -      |    | -     |    | -      |    | -     |    | -     |    | -   |    | -  |    | -   |    | -   |
| Restricted Cash and Cash Equivalents | -      |    | -     |    | -      |    | -     |    | -     |    | -   |    | -  |    | -   |    | -   |
| Investments                          | 11,170 |    | -     |    | -      |    | -     |    | 1,109 |    | -   |    | -  |    | -   |    | 839 |
| Due from Primary Government          | -      |    | -     |    | -      |    | -     |    | -     |    | -   |    | -  |    | -   |    | -   |
| Receivables, Net                     | 39     |    | 135   |    | 314    |    | 535   |    | -     |    | -   |    | -  |    | -   |    | -   |
| Other Current Assets                 | 28     |    | -     |    | -      |    | -     |    | -     |    | -   |    | -  |    | -   |    | -   |
| Prepaid Expenses                     | -      |    | 8     |    | -      |    | 12    |    | 52    |    | -   |    | -  |    | -   |    | -   |
| Inventory                            | -      |    | -     |    | -      |    | -     |    | -     |    | -   |    | -  |    | -   |    | -   |
| Total Current Assets                 | 11,672 |    | 6,654 |    | 28,251 |    | 1,570 |    | 1,705 |    | 336 |    | 49 |    | 108 |    | 960 |

Noncurrent Assets:

|                                      |        |  |       |  |        |  |        |  |        |  |        |  |        |  |     |  |        |
|--------------------------------------|--------|--|-------|--|--------|--|--------|--|--------|--|--------|--|--------|--|-----|--|--------|
| Restricted Cash and Cash Equivalents | -      |  | -     |  | -      |  | 1,153  |  | 14,712 |  | -      |  | -      |  | -   |  | -      |
| Restricted Investments               | -      |  | -     |  | -      |  | -      |  | -      |  | -      |  | -      |  | -   |  | 9,762  |
| Loans Receivable, Net                | -      |  | -     |  | -      |  | -      |  | -      |  | -      |  | -      |  | -   |  | -      |
| Investments                          | -      |  | -     |  | 14,110 |  | 15,938 |  | 13,157 |  | 32,998 |  | 22,140 |  | 633 |  | -      |
| Other Noncurrent Assets              | -      |  | -     |  | 374    |  | -      |  | -      |  | -      |  | -      |  | -   |  | -      |
| Nondepreciable Capital Assets        | -      |  | -     |  | 568    |  | 6,238  |  | 297    |  | 143    |  | -      |  | -   |  | -      |
| Other Capital Assets, Net            | -      |  | -     |  | 562    |  | -      |  | 43     |  | -      |  | -      |  | -   |  | -      |
| Total Noncurrent Assets              | -      |  | -     |  | 15,614 |  | 23,329 |  | 28,209 |  | 33,141 |  | 22,140 |  | 633 |  | 9,762  |
| Total Assets                         | 11,672 |  | 6,654 |  | 43,865 |  | 24,899 |  | 29,914 |  | 33,477 |  | 22,189 |  | 741 |  | 10,722 |

**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, 2024**  
**(IN THOUSANDS)**

**ASSETS**

Current Assets:

Cash and Cash Equivalents  
Investment in Local Government  
Investment Pool  
Restricted Cash and Cash Equivalents  
Investments  
Due from Primary Government  
Receivables, Net  
Other Current Assets  
Prepaid Expenses  
Inventory

| New Mexico<br>Military<br>Institute<br>Foundation | New Mexico<br>School for<br>Visually Impaired<br>Foundation | Cumbres<br>& Toltec<br>Scenic RR<br>Commission | New Mexico<br>Renewable<br>Transmission<br>Authority | New Mexico<br>Small Business<br>Investment<br>Corp. | Charter<br>Schools | New Mexico<br>Hospital<br>Equipment<br>Loan Council | Total<br>Nonmajor<br>Component<br>Units |
|---------------------------------------------------|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|--------------------|-----------------------------------------------------|-----------------------------------------|
| \$ 80                                             | \$ 29                                                       | \$ 3,188                                       | \$ 63                                                | \$ 37                                               | \$ 127,329         | \$ 107                                              | \$ 142,074                              |
| -                                                 | -                                                           | -                                              | 1,645                                                | 29,511                                              | -                  | -                                                   | 31,156                                  |
| 6,277                                             | -                                                           | -                                              | 27                                                   | -                                                   | 9,389              | -                                                   | 17,641                                  |
| -                                                 | -                                                           | -                                              | -                                                    | 26,937                                              | 2,277              | -                                                   | 66,207                                  |
| 1                                                 | -                                                           | 597                                            | -                                                    | -                                                   | 14,699             | -                                                   | 15,297                                  |
| 58                                                | -                                                           | 3,119                                          | 891                                                  | 349                                                 | 4,395              | 49                                                  | 9,884                                   |
| -                                                 | -                                                           | -                                              | -                                                    | -                                                   | -                  | -                                                   | 28                                      |
| 4                                                 | -                                                           | 34                                             | 3                                                    | 14                                                  | 759                | 1                                                   | 887                                     |
| -                                                 | -                                                           | 427                                            | -                                                    | -                                                   | -                  | -                                                   | 427                                     |
| 6,420                                             | 29                                                          | 7,365                                          | 2,629                                                | 56,848                                              | 158,848            | 157                                                 | 283,601                                 |

Total Current Assets

Noncurrent Assets:

Restricted Cash and Cash Equivalents  
Restricted Investments  
Loans Receivable, Net  
Investments  
Other Noncurrent Assets  
Nondepreciable Capital Assets  
Other Capital Assets, Net

| -      | -   | -      | -      | -       | -       | -     | 15,865  |
|--------|-----|--------|--------|---------|---------|-------|---------|
| -      | -   | -      | -      | -       | -       | -     | 9,762   |
| -      | -   | -      | -      | 97,194  | -       | -     | 97,194  |
| 69,862 | 248 | -      | -      | 2,240   | -       | 2,782 | 174,108 |
| 9,717  | -   | -      | 10,178 | 656     | 791     | -     | 21,716  |
| -      | -   | 1,244  | -      | -       | 55,325  | -     | 63,815  |
| -      | -   | 19,658 | 72     | -       | 248,988 | -     | 269,323 |
| 79,579 | 248 | 20,902 | 10,250 | 100,090 | 305,104 | 2,782 | 651,783 |

Total Noncurrent Assets

Total Assets

|        |     |        |        |         |         |       |         |
|--------|-----|--------|--------|---------|---------|-------|---------|
| 85,999 | 277 | 28,267 | 12,879 | 156,938 | 463,952 | 2,939 | 935,384 |
|--------|-----|--------|--------|---------|---------|-------|---------|

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Charge on Refunding  
Deferred Outflows - OPEB  
Deferred Outflows - Pension  
Total Deferred Outflows

|   |   |   |   |   |         |   |         |
|---|---|---|---|---|---------|---|---------|
| - | - | - | - | - | -       | - | -       |
| - | - | - | - | - | 406     | - | 406     |
| - | - | - | - | - | 42,903  | - | 42,903  |
| - | - | - | - | - | 99,839  | - | 99,839  |
| - | - | - | - | - | 143,148 | - | 143,148 |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

| <b>LIABILITIES</b>                            |    | 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 |
|-----------------------------------------------|----|------------------------|---------------|----------------------------|--------------------------------------------|------------------------------------------|------------------------------------------|---------------------------|---------------------------|----------------------------------------|
| Current Liabilities:                          |    |                        |               |                            |                                            |                                          |                                          |                           |                           |                                        |
| Accounts Payable                              | \$ | 84                     | \$ 76         | \$ -                       | \$ 294                                     | \$ 7                                     | \$ 259                                   | \$ -                      | \$ 50                     | \$ -                                   |
| Accrued Liabilities                           | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Unearned Revenue                              | -  | -                      | 647           | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Due to Primary Government                     | -  | -                      | 2,558         | 50                         | -                                          | 391                                      | -                                        | -                         | -                         | 289                                    |
| Funds Held for Others                         | -  | -                      | -             | -                          | -                                          | 622                                      | -                                        | -                         | -                         | -                                      |
| Other Liabilities                             | -  | -                      | -             | -                          | -                                          | -                                        | 53                                       | -                         | -                         | -                                      |
| Bonds Payable - Current Portion               | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Other Long-Term Liabilities - Current Portion | -  | -                      | -             | -                          | 96                                         | 35                                       | -                                        | -                         | -                         | -                                      |
| Total Current Liabilities                     |    | 84                     | 3,281         | 50                         | 390                                        | 1,055                                    | 312                                      | -                         | 50                        | 289                                    |
| Noncurrent Liabilities:                       |    |                        |               |                            |                                            |                                          |                                          |                           |                           |                                        |
| Bonds Payable                                 | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Due to Primary Government                     | -  | -                      | -             | -                          | 3,897                                      | -                                        | -                                        | -                         | -                         | -                                      |
| Net Pension Liability                         | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Net OPEB Liability                            | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Other Long-Term Liabilities                   | -  | -                      | -             | -                          | 369                                        | -                                        | -                                        | -                         | -                         | -                                      |
| Total Noncurrent Liabilities                  |    | -                      | -             | -                          | 4,266                                      | -                                        | -                                        | -                         | -                         | -                                      |
| Total Liabilities                             |    | 84                     | 3,281         | 50                         | 4,656                                      | 1,055                                    | 312                                      | -                         | 50                        | 289                                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |    |                        |               |                            |                                            |                                          |                                          |                           |                           |                                        |
| Deferred Inflows - Pension                    | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Deferred Inflows - OPEB                       | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Deferred Inflows - Leases                     | -  | -                      | -             | 165                        | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Deferred Inflows - Other                      | -  | -                      | -             | -                          | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| Total Deferred Inflows                        |    | -                      | -             | 165                        | -                                          | -                                        | -                                        | -                         | -                         | -                                      |
| <b>NET POSITION</b>                           |    |                        |               |                            |                                            |                                          |                                          |                           |                           |                                        |
| Net Investment in Capital Assets              | -  | -                      | -             | 1,130                      | 5,774                                      | 305                                      | -                                        | -                         | -                         | -                                      |
| Restricted:                                   |    |                        |               |                            |                                            |                                          |                                          |                           |                           |                                        |
| Nonexpendable                                 | -  | -                      | -             | 14,623                     | 6,543                                      | 27,902                                   | 18,612                                   | 2,216                     | 353                       | 10,601                                 |
| Expendable:                                   |    |                        |               |                            |                                            |                                          |                                          |                           |                           |                                        |
| Other Purposes                                | -  | -                      | 149           | 4,940                      | 4,390                                      | 487                                      | 11,756                                   | 7,879                     | 218                       | -                                      |
| Unrestricted Net Position (Deficit)           |    | 11,588                 | 3,224         | 22,957                     | 3,536                                      | 165                                      | 2,797                                    | 12,094                    | 120                       | (168)                                  |
| Total Net Position (Deficit)                  |    | \$ 11,588              | \$ 3,373      | \$ 43,650                  | \$ 20,243                                  | \$ 28,859                                | \$ 33,165                                | \$ 22,189                 | \$ 691                    | \$ 10,433                              |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                               | New Mexico<br>Military<br>Institute<br>Foundation | New Mexico<br>School for<br>Visually Impaired<br>Foundation | Cumbres<br>& Toltec<br>Scenic RR<br>Commission | New Mexico<br>Renewable<br>Transmission<br>Authority | New Mexico<br>Small Business<br>Investment<br>Corp. | Charter<br>Schools | New Mexico<br>Hospital<br>Equipment<br>Loan Council | Total<br>Nonmajor<br>Component<br>Units |
|-----------------------------------------------|---------------------------------------------------|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|--------------------|-----------------------------------------------------|-----------------------------------------|
| <b>LIABILITIES</b>                            |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Current Liabilities:                          |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Accounts Payable                              | \$ 72                                             | \$ 3                                                        | \$ 889                                         | \$ 71                                                | \$ 27                                               | \$ 4,413           | \$ 24                                               | \$ 6,269                                |
| Accrued Liabilities                           | -                                                 | -                                                           | 83                                             | -                                                    | -                                                   | 16,558             | -                                                   | 16,641                                  |
| Unearned Revenue                              | 31                                                | -                                                           | 1,308                                          | 27                                                   | -                                                   | 325                | -                                                   | 2,338                                   |
| Due to Primary Government                     | 407                                               | -                                                           | -                                              | -                                                    | 3,143                                               | 76                 | -                                                   | 6,914                                   |
| Funds Held for Others                         | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | -                  | -                                                   | 622                                     |
| Other Liabilities                             | -                                                 | -                                                           | -                                              | -                                                    | 1,360                                               | 2,071              | -                                                   | 3,484                                   |
| Bonds Payable - Current Portion               | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | 23,098             | -                                                   | 23,098                                  |
| Other Long-Term Liabilities - Current Portion | 25                                                | -                                                           | 124                                            | 52                                                   | -                                                   | 8,822              | -                                                   | 9,154                                   |
| Total Current Liabilities                     | 535                                               | 3                                                           | 2,404                                          | 150                                                  | 4,530                                               | 55,363             | 24                                                  | 68,520                                  |
| Noncurrent Liabilities:                       |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Bonds Payable                                 | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | 196,627            | -                                                   | 196,627                                 |
| Due to Primary Government                     | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | -                  | -                                                   | 3,897                                   |
| Net Pension Liability                         | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | 329,820            | -                                                   | 329,820                                 |
| Net OPEB Liability                            | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | 43,829             | -                                                   | 43,829                                  |
| Other Long-Term Liabilities                   | -                                                 | -                                                           | 7                                              | 28                                                   | -                                                   | 25,854             | -                                                   | 26,258                                  |
| Total Noncurrent Liabilities                  | -                                                 | -                                                           | 7                                              | 28                                                   | -                                                   | 596,130            | -                                                   | 600,431                                 |
| Total Liabilities                             | 535                                               | 3                                                           | 2,411                                          | 178                                                  | 4,530                                               | 651,493            | 24                                                  | 688,951                                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Deferred Inflows - Pension                    | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | 62,011             | -                                                   | 62,011                                  |
| Deferred Inflows - OPEB                       | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | 53,179             | -                                                   | 53,179                                  |
| Deferred Inflows - Leases                     | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | -                  | -                                                   | 165                                     |
| Deferred Inflows - Other                      | -                                                 | -                                                           | 3,286                                          | -                                                    | -                                                   | 729                | -                                                   | 4,015                                   |
| Total Deferred Inflows                        | -                                                 | -                                                           | 3,286                                          | -                                                    | -                                                   | 115,919            | -                                                   | 119,370                                 |
| <b>NET POSITION</b>                           |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Net Investment in Capital Assets              | -                                                 | -                                                           | 20,893                                         | 5                                                    | -                                                   | 54,783             | -                                                   | 82,890                                  |
| Restricted:                                   |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Nonexpendable                                 | 32,815                                            | -                                                           | -                                              | -                                                    | 152,407                                             | -                  | -                                                   | 266,072                                 |
| Expendable:                                   |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Other Purposes                                | 27,881                                            | 228                                                         | -                                              | 12,696                                               | -                                                   | 15,760             | -                                                   | 86,384                                  |
| Unrestricted Net Position (Deficit)           | 24,768                                            | 46                                                          | 1,677                                          | -                                                    | 1                                                   | (230,855)          | 2,915                                               | (145,135)                               |
| Total Net Position (Deficit)                  | \$ 85,464                                         | \$ 274                                                      | \$ 22,570                                      | \$ 12,701                                            | \$ 152,408                                          | \$ (160,312)       | \$ 2,915                                            | \$ 290,211                              |



**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NONMAJOR COMPONENT UNITS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                        | UNM<br>Alumni<br>Association | UNM<br>Lobo<br>Club | New Mexico<br>Tech<br>Foundation | New Mexico<br>Highlands<br>University<br>Foundation | Western<br>New Mexico<br>University<br>Foundation | Eastern<br>New Mexico<br>University<br>Foundation | ENMU -<br>Roswell<br>Foundation | ENMU -<br>Ruidoso<br>Foundation | Northern<br>New Mexico<br>College<br>Foundation |
|----------------------------------------|------------------------------|---------------------|----------------------------------|-----------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------------------|
| <b>REVENUES</b>                        |                              |                     |                                  |                                                     |                                                   |                                                   |                                 |                                 |                                                 |
| Program Revenues:                      |                              |                     |                                  |                                                     |                                                   |                                                   |                                 |                                 |                                                 |
| Charges for Services                   | \$ 567                       | \$ 563              | \$ -                             | \$ -                                                | \$ -                                              | \$ -                                              | \$ -                            | \$ -                            | \$ -                                            |
| Operating Grants and Contributions     | -                            | 7,550               | 2,251                            | 1,104                                               | 1,179                                             | 652                                               | 24                              | 40                              | 258                                             |
| Total Program Revenues                 | 567                          | 8,113               | 2,251                            | 1,104                                               | 1,179                                             | 652                                               | 24                              | 40                              | 258                                             |
| <b>EXPENSES</b>                        |                              |                     |                                  |                                                     |                                                   |                                                   |                                 |                                 |                                                 |
|                                        | 788                          | 7,857               | 3,140                            | 1,626                                               | 1,030                                             | 2,111                                             | 394                             | 221                             | 282                                             |
| <b>REVENUES OVER (UNDER) EXPENSES</b>  | (221)                        | 256                 | (889)                            | (522)                                               | 149                                               | (1,459)                                           | (370)                           | (181)                           | (24)                                            |
| <b>OTHER REVENUES AND EXPENSES</b>     |                              |                     |                                  |                                                     |                                                   |                                                   |                                 |                                 |                                                 |
| Payment from State of New Mexico       | -                            | -                   | -                                | -                                                   | -                                                 | -                                                 | -                               | -                               | -                                               |
| Payment to State of New Mexico         | (130)                        | -                   | -                                | -                                                   | -                                                 | -                                                 | -                               | -                               | -                                               |
| Other                                  | 3                            | 29                  | 101                              | 590                                                 | 882                                               | 5,154                                             | 193                             | 135                             | -                                               |
| Investment Income                      | 1,292                        | 36                  | 3,689                            | 1,252                                               | 1,268                                             | 1,460                                             | 3,498                           | 51                              | 5,814                                           |
| Total Other Revenues and Expenses      | 1,165                        | 65                  | 3,790                            | 1,842                                               | 2,150                                             | 6,614                                             | 3,691                           | 186                             | 5,814                                           |
| <b>CHANGE IN NET POSITION</b>          |                              |                     |                                  |                                                     |                                                   |                                                   |                                 |                                 |                                                 |
|                                        | 944                          | 321                 | 2,901                            | 1,320                                               | 2,299                                             | 5,155                                             | 3,321                           | 5                               | 5,790                                           |
| Net Position - Beginning               | 10,644                       | 3,052               | 40,749                           | 18,923                                              | 26,560                                            | 28,010                                            | 18,868                          | 686                             | 4,643                                           |
| <b>NET POSITION - ENDING (DEFICIT)</b> |                              |                     |                                  |                                                     |                                                   |                                                   |                                 |                                 |                                                 |
|                                        | \$ 11,588                    | \$ 3,373            | \$ 43,650                        | \$ 20,243                                           | \$ 28,859                                         | \$ 33,165                                         | \$ 22,189                       | \$ 691                          | \$ 10,433                                       |

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NONMAJOR COMPONENT UNITS(CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

|                                        | New Mexico<br>Military<br>Institute<br>Foundation | New Mexico<br>School for<br>Visually Impaired<br>Foundation | Cumbres<br>& Toltec<br>Scenic RR<br>Commission | New Mexico<br>Renewable<br>Transmission<br>Authority | New Mexico<br>Small Business<br>Investment<br>Corp. | Charter<br>Schools | New Mexico<br>Hospital<br>Equipment<br>Loan Council | Total<br>Nonmajor<br>Component<br>Units |
|----------------------------------------|---------------------------------------------------|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|--------------------|-----------------------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                        |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Program Revenues:                      |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Charges for Services                   | \$ 722                                            | \$ -                                                        | \$ 5,502                                       | \$ 481                                               | \$ -                                                | \$ 2,256           | \$ 110                                              | \$ 10,201                               |
| Operating Grants and Contributions     | 1,688                                             | 54                                                          | 2,448                                          | -                                                    | -                                                   | 95,310             | -                                                   | 112,558                                 |
| Total Program Revenues                 | 2,410                                             | 54                                                          | 7,950                                          | 481                                                  | -                                                   | 97,566             | 110                                                 | 122,759                                 |
| <b>EXPENSES</b>                        |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
|                                        | 2,741                                             | 45                                                          | 8,304                                          | 1,312                                                | 483                                                 | 323,685            | 111                                                 | 354,130                                 |
| <b>REVENUES OVER (UNDER) EXPENSES</b>  | (331)                                             | 9                                                           | (354)                                          | (831)                                                | (483)                                               | (226,119)          | (1)                                                 | (231,371)                               |
| <b>OTHER REVENUES AND EXPENSES</b>     |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
| Payment from State of New Mexico       | -                                                 | -                                                           | -                                              | -                                                    | 27,088                                              | 265,178            | -                                                   | 292,266                                 |
| Payment to State of New Mexico         | -                                                 | -                                                           | -                                              | -                                                    | -                                                   | -                  | -                                                   | (130)                                   |
| Other                                  | -                                                 | -                                                           | 348                                            | -                                                    | -                                                   | 26,911             | (7)                                                 | 34,339                                  |
| Investment Income                      | 8,187                                             | 16                                                          | 6                                              | 427                                                  | 3,922                                               | -                  | 136                                                 | 31,054                                  |
| Total Other Revenues and Expenses      | 8,187                                             | 16                                                          | 354                                            | 427                                                  | 31,010                                              | 292,089            | 129                                                 | 357,529                                 |
| <b>CHANGE IN NET POSITION</b>          |                                                   |                                                             |                                                |                                                      |                                                     |                    |                                                     |                                         |
|                                        | 7,856                                             | 25                                                          | -                                              | (404)                                                | 30,527                                              | 65,970             | 128                                                 | 126,158                                 |
| Net Position - Beginning               | 77,608                                            | 249                                                         | 22,570                                         | 13,105                                               | 121,881                                             | (226,282)          | 2,787                                               | 164,053                                 |
| <b>NET POSITION - ENDING (DEFICIT)</b> | \$ 85,464                                         | \$ 274                                                      | \$ 22,570                                      | \$ 12,701                                            | \$ 152,408                                          | \$ (160,312)       | \$ 2,915                                            | \$ 290,211                              |

## STATISTICAL SECTION

## STATISTICAL SECTION INFORMATION

The Statistical Section provides additional historical context and detail to aid in using the information in the financial statements, notes to the financial statements and required supplementary information for the primary government of the State of New Mexico in understanding and assessing the State's overall financial health.

### Financial Trends Information

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

|              |                                              |     |
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## STATISTICAL SECTION INFORMATION

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Sources: Unless otherwise noted, the information in the following schedules is derived from the State of New Mexico Annual Financial Report.

Note: The statements which comprise the Statistical Section have not been audited.

**STATE OF NEW MEXICO**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(ACCRUAL BASIS OF ACCOUNTING)**

|                                  | Fiscal Year          |                      |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| Governmental Activities:         |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 7,590,996         | \$ 6,998,390         | \$ 6,533,650         | \$ 6,212,235         | \$ 5,971,617         |
| Restricted                       | 63,615,298           | 53,960,311           | 42,996,897           | 37,944,662           | 30,024,134           |
| Unrestricted                     | <u>(3,746,933)</u>   | <u>(3,536,668)</u>   | <u>(3,860,356)</u>   | <u>(4,103,700)</u>   | <u>(4,658,434)</u>   |
| Total Governmental Activities    |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 67,459,361</u> | <u>\$ 57,422,033</u> | <u>\$ 45,670,191</u> | <u>\$ 40,053,197</u> | <u>\$ 31,337,317</u> |
| Business-Type Activities:        |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 2,396,173         | \$ 2,238,573         | \$ 2,031,156         | \$ 1,845,399         | \$ 1,808,184         |
| Restricted                       | 1,814,948            | 1,648,971            | 1,576,707            | 1,519,236            | 1,113,160            |
| Unrestricted                     | <u>(1,137,073)</u>   | <u>(1,953,436)</u>   | <u>(2,014,143)</u>   | <u>(1,891,399)</u>   | <u>(970,769)</u>     |
| Total Business-Type Activities   |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 3,074,048</u>  | <u>\$ 1,934,108</u>  | <u>\$ 1,593,720</u>  | <u>\$ 1,473,236</u>  | <u>\$ 1,950,575</u>  |
| Primary Government:              |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 9,987,169         | \$ 9,236,963         | \$ 8,564,806         | \$ 8,057,634         | \$ 7,779,801         |
| Restricted                       | 65,430,246           | 55,609,282           | 44,573,604           | 39,463,898           | 31,137,294           |
| Unrestricted                     | <u>(4,884,006)</u>   | <u>(5,490,104)</u>   | <u>(5,874,499)</u>   | <u>(5,995,099)</u>   | <u>(5,629,204)</u>   |
| Total Primary Government         |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 70,533,409</u> | <u>\$ 59,356,141</u> | <u>\$ 47,263,911</u> | <u>\$ 41,526,433</u> | <u>\$ 33,287,891</u> |

\* Implementation of GASB 68 - Effective FY15

**STATE OF NEW MEXICO  
NET POSITION BY COMPONENT (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                  | Fiscal Year          |                      |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| Governmental Activities:         |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 5,826,283         | \$ 5,866,806         | \$ 5,904,225         | \$ 5,930,820         | \$ 5,356,468         |
| Restricted                       | 27,579,790           | 25,740,851           | 23,268,593           | 18,311,421           | 12,658,737           |
| Unrestricted                     | (3,216,115)          | (4,690,920)          | (3,311,309)          | (326,978)            | 7,158,005            |
| Total Governmental Activities    |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 30,189,958</u> | <u>\$ 26,916,737</u> | <u>\$ 25,861,508</u> | <u>\$ 23,915,263</u> | <u>\$ 25,173,210</u> |
| Business-Type Activities:        |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 1,770,690         | \$ 1,755,991         | \$ 1,742,099         | \$ 1,654,692         | \$ 1,589,677         |
| Restricted                       | 1,386,077            | 1,319,357            | 1,251,369            | 1,317,251            | 987,021              |
| Unrestricted                     | (1,905,986)          | (1,547,653)          | (846,457)            | (975,829)            | (827,718)            |
| Total Business-Type Activities   |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 1,250,781</u>  | <u>\$ 1,527,695</u>  | <u>\$ 2,147,011</u>  | <u>\$ 1,996,114</u>  | <u>\$ 1,748,980</u>  |
| Primary Government:              |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets | \$ 7,596,973         | \$ 7,622,797         | \$ 7,646,323         | \$ 7,585,511         | \$ 6,946,145         |
| Restricted                       | 28,965,865           | 27,060,209           | 24,519,962           | 19,628,672           | 13,645,758           |
| Unrestricted                     | (5,122,101)          | (6,238,579)          | (4,157,768)          | (1,302,806)          | 6,330,287            |
| Total Primary Government         |                      |                      |                      |                      |                      |
| Net Position                     | <u>\$ 31,440,739</u> | <u>\$ 28,444,427</u> | <u>\$ 28,008,517</u> | <u>\$ 25,911,377</u> | <u>\$ 26,922,190</u> |

**STATE OF NEW MEXICO  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                                | Fiscal Year          |                      |                      |                      |                      |
|------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| <b>PROGRAM EXPENSES</b>                        |                      |                      |                      |                      |                      |
| Governmental Activities:                       |                      |                      |                      |                      |                      |
| General Control                                | \$ 2,322,896         | \$ 1,913,234         | \$ 1,146,779         | \$ 2,091,970         | \$ 946,145           |
| Culture, Recreation, and Natural Resources     | 731,495              | 259,482              | 326,191              | 260,481              | 294,254              |
| Highway and Transportation                     | 1,099,613            | 1,003,382            | 920,656              | 871,871              | 952,604              |
| Judicial                                       | 429,703              | 385,550              | 358,032              | 313,217              | 367,458              |
| Legislative                                    | 38,748               | 35,330               | 26,873               | 24,595               | 26,741               |
| Public Safety                                  | 912,554              | 755,849              | 632,544              | 519,118              | 593,994              |
| Regulation and Licensing                       | 332,214              | 316,661              | 165,869              | 434,683              | 207,749              |
| Health and Human Services                      | 13,075,258           | 12,914,840           | 12,410,828           | 10,784,332           | 9,447,582            |
| Education                                      | 6,044,528            | 5,236,537            | 4,654,985            | 3,989,681            | 3,929,465            |
| Interest                                       | 72,896               | 63,668               | 135,183              | 132,809              | 112,126              |
| Special Items:                                 |                      |                      |                      |                      |                      |
| Reduction of Receivable, Internal Service Fund | -                    | -                    | -                    | -                    | -                    |
| Total Governmental Activities Expenses         | <u>25,059,905</u>    | <u>22,884,532</u>    | <u>20,777,940</u>    | <u>19,422,757</u>    | <u>16,878,118</u>    |
| Business-Type Activities:                      |                      |                      |                      |                      |                      |
| Educational Institutions                       | 3,954,505            | 4,244,860            | 4,012,425            | 4,881,052            | 2,802,996            |
| Public Schools Insurance                       | 530,541              | 442,918              | 439,580              | 404,049              | 397,157              |
| Environmental Loans                            | 1,384                | 4,452                | 5,466                | 2,638                | 1,387                |
| Miners' Colfax Medical Center                  | 36,736               | 45,316               | 41,055               | 32,893               | 40,490               |
| Unemployment Insurance                         | 223,018              | 175,949              | 425,382              | 2,716,542            | 1,547,564            |
| State Fair                                     | 17,535               | 16,204               | 14,598               | 8,691                | 15,007               |
| Other Business-Type Activities                 | 25,916               | 24,939               | 20,122               | 16,479               | 19,248               |
| Special Items                                  | -                    | -                    | -                    | -                    | -                    |
| Total Business-Type Activities Expenses        | <u>4,789,635</u>     | <u>4,954,637</u>     | <u>4,958,628</u>     | <u>8,062,344</u>     | <u>4,823,850</u>     |
| Total Primary Government Expenses              | <u>\$ 29,849,541</u> | <u>\$ 27,839,170</u> | <u>\$ 25,736,568</u> | <u>\$ 27,485,101</u> | <u>\$ 21,701,968</u> |



**STATE OF NEW MEXICO  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                                | Fiscal Year          |                      |                      |                      |                      |
|------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                | 2019                 | 2018                 | 2017<br>as Restated  | 2016                 | 2015                 |
| <b>PROGRAM EXPENSES</b>                        |                      |                      |                      |                      |                      |
| Governmental Activities:                       |                      |                      |                      |                      |                      |
| General Control                                | \$ 949,925           | \$ 1,244,170         | \$ 1,722,398         | \$ 1,706,181         | \$ 993,220           |
| Culture, Recreation, and Natural Resources     | 263,383              | 247,368              | 247,510              | 239,104              | 203,319              |
| Highway and Transportation                     | 876,159              | 805,736              | 824,522              | 987,512              | 1,051,567            |
| Judicial                                       | 341,818              | 306,806              | 304,097              | 315,829              | 255,761              |
| Legislative                                    | 28,024               | 24,068               | 26,834               | 23,184               | 29,626               |
| Public Safety                                  | 548,909              | 534,228              | 552,421              | 498,391              | 480,286              |
| Regulation and Licensing                       | 194,956              | 175,084              | 124,269              | 118,405              | 126,917              |
| Health and Human Services                      | 7,864,173            | 7,982,533            | 8,008,413            | 8,008,413            | 7,401,005            |
| Education                                      | 3,483,071            | 3,167,364            | 3,286,148            | 3,554,909            | 4,024,669            |
| Interest                                       | 130,183              | 123,439              | 115,594              | 123,083              | 131,154              |
| Special Items:                                 |                      |                      |                      |                      |                      |
| Reduction of Receivable, Internal Service Fund | -                    | -                    | -                    | -                    | 977                  |
| Total Governmental Activities Expenses         | 14,680,601           | 14,610,795           | 15,212,206           | 15,575,011           | 14,698,501           |
| Business-Type Activities:                      |                      |                      |                      |                      |                      |
| Educational Institutions                       | 3,844,396            | 3,645,245            | 3,383,288            | 3,126,892            | 3,041,713            |
| Public Schools Insurance                       | 370,389              | 354,996              | 383,282              | 395,579              | 363,373              |
| Environmental Loans                            | 2,726                | 1,526                | 1,949                | 2,266                | 441                  |
| Miners' Colfax Medical Center                  | 37,506               | 34,807               | 33,180               | 31,295               | 24,967               |
| Unemployment Insurance                         | 137,995              | 166,040              | 178,334              | 195,506              | 193,479              |
| State Fair                                     | 15,919               | 16,357               | 16,124               | 14,841               | 15,417               |
| Other Business-Type Activities                 | 22,845               | 20,536               | 18,869               | 16,524               | 18,199               |
| Special Items                                  | -                    | -                    | -                    | 866                  | -                    |
| Total Business-Type Activities Expenses        | 4,431,776            | 4,239,508            | 4,015,026            | 3,783,769            | 3,657,589            |
| Total Primary Government Expenses              | <u>\$ 19,112,378</u> | <u>\$ 18,850,302</u> | <u>\$ 19,227,232</u> | <u>\$ 19,358,780</u> | <u>\$ 18,356,090</u> |

**STATE OF NEW MEXICO  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                            | Fiscal Year           |                       |                       |                       |                       |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                            | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  |
| <b>PROGRAM REVENUES</b>                    |                       |                       |                       |                       |                       |
| Governmental Activities:                   |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| General Control                            | \$ 3,340,947          | \$ 3,633,122          | \$ 2,608,228          | \$ 1,170,449          | \$ 2,227,030          |
| Culture, Recreation, and Natural Resources | 2,592,067             | 2,793,054             | 2,461,709             | 1,297,090             | 66,086                |
| Highway and Transportation                 | 117,607               | 119,232               | 117,602               | 116,341               | 108,044               |
| Judicial                                   | 16,653                | 15,220                | 13,584                | 12,505                | 15,655                |
| Public Safety                              | 10,159                | 9,888                 | 9,434                 | 8,273                 | 11,753                |
| Regulation and Licensing                   | 59,659                | 64,970                | 94,658                | 80,805                | 44,733                |
| Health and Human Services                  | 268,446               | 251,447               | 226,341               | 219,276               | 199,137               |
| Education                                  | 10,269                | 8,529                 | 11,515                | 7,383                 | 6,464                 |
| Operating Grants and Contributions         | 11,193,969            | 12,445,085            | 11,394,256            | 10,609,948            | 7,750,233             |
| Capital Grants and Contributions           | 583,575               | 482,551               | 484,294               | 480,552               | 462,264               |
| Total Governmental Activities              |                       |                       |                       |                       |                       |
| Program Revenues                           | 18,193,351            | 19,823,098            | 17,421,621            | 14,002,622            | 10,891,399            |
| Business-Type Activities:                  |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| Educational Institutions                   | 2,547,041             | 1,947,792             | 2,019,164             | 1,976,449             | 1,768,685             |
| Public Schools Insurance                   | 484,978               | 438,435               | 413,906               | 403,369               | 393,010               |
| Environmental Loans                        | 8,803                 | 5,162                 | 1,566                 | 2,088                 | -                     |
| Miners' Colfax Medical Center              | 29,654                | 27,627                | 26,917                | 17,859                | 13,001                |
| Unemployment Insurance                     | 191,876               | 146,972               | 113,048               | 780,811               | 121,004               |
| State Fair                                 | 13,939                | 13,666                | 8,773                 | 390                   | 10,239                |
| Other Business-Type Activities             | 21,929                | 19,631                | 18,425                | 17,184                | 18,814                |
| Operating Grants and Contributions         | 620,393               | 608,117               | 1,157,358             | 2,908,576             | 1,919,974             |
| Capital Grants and Contributions           | 30,411                | 57,753                | 12,869                | 31,836                | 7,751                 |
| Total Business-Type Activities             |                       |                       |                       |                       |                       |
| Program Revenues                           | 3,949,024             | 3,265,155             | 3,772,026             | 6,138,562             | 4,252,478             |
| Total Primary Government                   |                       |                       |                       |                       |                       |
| Program Revenues                           | <u>\$ 18,193,351</u>  | <u>\$ 23,088,253</u>  | <u>\$ 21,193,647</u>  | <u>\$ 20,141,184</u>  | <u>\$ 15,143,877</u>  |
| <b>NET REVENUE (EXPENSE)</b>               |                       |                       |                       |                       |                       |
| Governmental Activities                    | \$ (6,866,554)        | \$ (3,061,434)        | \$ (3,356,319)        | \$ (5,420,135)        | \$ (5,986,719)        |
| Business-Type Activities                   | (840,611)             | (1,689,482)           | (1,186,602)           | (1,923,782)           | (571,372)             |
| Total Primary Government Net Expense       | <u>\$ (7,707,165)</u> | <u>\$ (4,750,916)</u> | <u>\$ (4,542,921)</u> | <u>\$ (7,343,917)</u> | <u>\$ (6,558,091)</u> |

**STATE OF NEW MEXICO  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                            | Fiscal Year           |                       |                       |                       |                       |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                            | 2019                  | 2018                  | 2017<br>as Restated   | 2016                  | 2015                  |
| <b>PROGRAM REVENUES</b>                    |                       |                       |                       |                       |                       |
| Governmental Activities:                   |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| General Control                            | \$ 2,795,908          | \$ 1,958,862          | \$ 1,581,393          | \$ 1,457,352          | \$ 1,880,869          |
| Culture, Recreation, and Natural Resources | 57,330                | 70,071                | 64,956                | 63,474                | 59,392                |
| Highway and Transportation                 | 115,639               | 111,792               | 109,835               | 110,754               | 105,215               |
| Judicial                                   | 17,873                | 17,706                | 17,011                | 15,620                | 6,243                 |
| Public Safety                              | 44,304                | 12,641                | 9,326                 | 9,345                 | 9,162                 |
| Regulation and Licensing                   | 41,915                | 41,178                | 34,304                | 35,218                | 45,558                |
| Health and Human Services                  | 167,077               | 173,479               | 159,894               | 147,373               | 135,431               |
| Education                                  | 6,474                 | 6,862                 | 7,346                 | 7,362                 | 8,726                 |
| Operating Grants and Contributions         | 6,453,390             | 6,850,440             | 6,595,050             | 6,855,527             | 6,356,248             |
| Capital Grants and Contributions           | 376,591               | -                     | -                     | -                     | -                     |
| Total Governmental Activities              |                       |                       |                       |                       |                       |
| Program Revenues                           | 10,076,501            | 9,243,031             | 8,579,115             | 8,702,025             | 8,606,844             |
| Business-Type Activities:                  |                       |                       |                       |                       |                       |
| Charges for Services:                      |                       |                       |                       |                       |                       |
| Educational Institutions                   | 1,732,441             | 1,665,364             | 1,642,869             | 1,521,460             | 1,567,129             |
| Public Schools Insurance                   | 375,555               | 373,489               | 378,957               | 363,949               | 351,731               |
| Environmental Loans                        | -                     | -                     | -                     | -                     | -                     |
| Miners' Colfax Medical Center              | 16,875                | 22,031                | 21,396                | 26,672                | 17,450                |
| Unemployment Insurance                     | 189                   | 243                   | 235                   | 361                   | -                     |
| State Fair                                 | 12,182                | 11,469                | 11,722                | 11,928                | 11,556                |
| Other Business-Type Activities             | 22,099                | 20,666                | 17,280                | 13,954                | 16,304                |
| Operating Grants and Contributions         | 663,285               | 697,032               | 896,071               | 595,057               | 627,067               |
| Capital Grants and Contributions           | 22,997                | 12,437                | 11,607                | 6,906                 | 12,524                |
| Total Business-Type Activities             |                       |                       |                       |                       |                       |
| Program Revenues                           | 2,845,623             | 2,802,731             | 2,980,137             | 2,540,287             | 2,603,761             |
| Total Primary Government                   |                       |                       |                       |                       |                       |
| Program Revenues                           | <u>\$ 12,922,124</u>  | <u>\$ 12,045,762</u>  | <u>\$ 11,559,252</u>  | <u>\$ 11,242,312</u>  | <u>\$ 11,210,605</u>  |
| <b>NET REVENUE (EXPENSE)</b>               |                       |                       |                       |                       |                       |
| Governmental Activities                    | \$ (4,693,509)        | \$ (5,367,765)        | \$ (6,633,091)        | \$ (6,872,986)        | \$ (6,091,657)        |
| Business-Type Activities                   | (1,586,154)           | (1,436,776)           | (1,034,889)           | (1,243,482)           | (1,053,828)           |
| Total Primary Government Net Expense       | <u>\$ (6,279,663)</u> | <u>\$ (6,804,541)</u> | <u>\$ (7,667,980)</u> | <u>\$ (8,116,468)</u> | <u>\$ (7,145,485)</u> |

**STATE OF NEW MEXICO  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                                               | Fiscal Year          |                      |                      |                      |                     |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
|                                                               | 2024                 | 2023                 | 2022                 | 2021                 | 2020                |
| <b>GENERAL REVENUES AND OTHER<br/>CHANGES IN NET POSITION</b> |                      |                      |                      |                      |                     |
| Governmental Activities:                                      |                      |                      |                      |                      |                     |
| Taxes:                                                        |                      |                      |                      |                      |                     |
| Individual Income Tax                                         | \$ 2,046,878         | \$ 1,621,993         | \$ 1,424,390         | \$ 1,837,492         | \$ 1,715,499        |
| Corporate Income Tax                                          | 640,784              | 440,208              | 335,978              | 147,434              | 63,000              |
| Gross Receipts Taxes                                          | 4,147,401            | 4,224,494            | 3,640,515            | 3,000,606            | 3,115,214           |
| Business Privilege                                            | 6,144,466            | 6,360,453            | 5,757,836            | 3,069,393            | 2,530,032           |
| Unemployment Insurance                                        | -                    | -                    | -                    | -                    | -                   |
| Other Taxes                                                   | 122,019              | 70,450               | 48,333               | 15,087               | 35,080              |
| Investment Income                                             | 4,490,045            | 2,873,705            | (1,531,190)          | 6,671,245            | 316,768             |
| Capital Gain                                                  | -                    | -                    | (35)                 | 139                  | 7,703               |
| Nonoperating Investment Income and Other                      | -                    | -                    | -                    | -                    | -                   |
| Other Financing Sources Related to Leases                     | -                    | -                    | 201                  | -                    | -                   |
| Other Revenue                                                 | 811,771              | 612,743              | 267,488              | 298,326              | 298,789             |
| Special Item - Potential Loss SGFIP                           | -                    | -                    | -                    | -                    | -                   |
| Special Item - Indian Water Rights Settlement                 | -                    | -                    | -                    | -                    | (15)                |
| Special Item - AZ Water Settlement                            | -                    | -                    | -                    | -                    | -                   |
| Transfers                                                     | (1,499,482)          | (1,390,769)          | (907,838)            | (914,694)            | (940,448)           |
| Total Governmental Activities                                 | <u>16,903,882</u>    | <u>14,813,277</u>    | <u>9,035,678</u>     | <u>14,125,028</u>    | <u>7,141,622</u>    |
| Business-Type Activities:                                     |                      |                      |                      |                      |                     |
| Taxes:                                                        |                      |                      |                      |                      |                     |
| Other Taxes                                                   | -                    | -                    | -                    | -                    | -                   |
| Investment Income (Loss)                                      | 79,535               | 98,625               | (62,068)             | 125,456              | 22,741              |
| Special Item Loss of Discontinuance                           | -                    | -                    | (88,267)             | (7,482)              | -                   |
| Nonoperating Investment Income and Other                      | -                    | -                    | -                    | -                    | 34,408              |
| Other Financing Sources Related to Leases                     | -                    | -                    | 41                   | -                    | -                   |
| Other Revenue                                                 | 339,765              | 540,319              | 566,280              | 415,326              | 275,299             |
| Transfers                                                     | 1,499,482            | 1,390,769            | 907,838              | 914,694              | 940,448             |
| Total Business-Type Activities                                | <u>1,918,782</u>     | <u>2,029,713</u>     | <u>1,323,824</u>     | <u>1,447,994</u>     | <u>1,272,896</u>    |
| Total Primary Government                                      | <u>\$ 18,822,664</u> | <u>\$ 16,842,990</u> | <u>\$ 10,359,502</u> | <u>\$ 15,573,022</u> | <u>\$ 8,414,517</u> |
| <b>CHANGE IN NET POSITION</b>                                 |                      |                      |                      |                      |                     |
| Governmental Activities                                       | \$ 10,037,328        | \$ 11,751,843        | \$ 5,679,360         | \$ 8,704,893         | \$ 1,154,903        |
| Business-Type Activities                                      | <u>1,078,171</u>     | <u>340,231</u>       | <u>137,222</u>       | <u>(475,788)</u>     | <u>701,524</u>      |
| Total Primary Government                                      | <u>\$ 11,115,499</u> | <u>\$ 12,092,074</u> | <u>\$ 5,816,581</u>  | <u>\$ 8,229,105</u>  | <u>\$ 1,856,427</u> |

**STATE OF NEW MEXICO  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(ACCRUAL BASIS OF ACCOUNTING)**

|                                                               | Fiscal Year         |                     |                     |                       |                     |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|
|                                                               | 2019                | 2018                | 2017<br>as Restated | 2016                  | 2015                |
| <b>GENERAL REVENUES AND OTHER<br/>CHANGES IN NET POSITION</b> |                     |                     |                     |                       |                     |
| Governmental Activities:                                      |                     |                     |                     |                       |                     |
| Taxes:                                                        |                     |                     |                     |                       |                     |
| Individual Income Tax                                         | \$ 1,713,643        | \$ 1,581,590        | \$ 1,418,070        | \$ 1,320,154          | \$ 1,451,288        |
| Corporate Income Tax                                          | 179,781             | (67,093)            | 76,274              | 118,502               | 262,600             |
| Gross Receipts Taxes                                          | 2,869,466           | 2,541,586           | 2,168,168           | 2,109,889             | 4,238,670           |
| Business Privilege                                            | 2,531,119           | 2,212,070           | 1,863,055           | 1,622,513             | -                   |
| Unemployment Insurance                                        | 18,510              | 14,529              | 7,200               | 18,970                | -                   |
| Other Taxes                                                   | 4,849               | 7,154               | 3,545               | 7,055                 | 33,424              |
| Investment Income                                             | 1,407,043           | 1,949,319           | 2,548,331           | 909,846               | 1,212,060           |
| Capital Gain                                                  | 7,792               | 404                 | -                   | -                     | -                   |
| Nonoperating Investment Income and Other                      | -                   | 155                 | 68                  | 34                    | -                   |
| Other Financing Sources Related to Leases                     | -                   | -                   | -                   | -                     | -                   |
| Other Revenue                                                 | 201,773             | 234,541             | 629,959             | 629,959               | 129,035             |
| Special Item - Potential Loss SGFIP                           | -                   | -                   | -                   | -                     | 100,000             |
| Special Item - Indian Water Rights Settlement                 | -                   | -                   | -                   | (12,436)              | (15,561)            |
| Special Item - AZ Water Settlement                            | -                   | -                   | 9,040               | 9,040                 | 9,040               |
| Transfers                                                     | (843,055)           | (727,311)           | (1,084,495)         | (1,084,495)           | (797,559)           |
| Total Governmental Activities                                 | <u>8,090,920</u>    | <u>7,746,944</u>    | <u>7,639,216</u>    | <u>5,649,032</u>      | <u>6,622,997</u>    |
| Business-Type Activities:                                     |                     |                     |                     |                       |                     |
| Taxes:                                                        |                     |                     |                     |                       |                     |
| Other Taxes                                                   | 126,103             | 167,975             | 205,143             | 342,488               | 269,593             |
| Investment Income (Loss)                                      | 23,776              | 14,276              | 13,742              | 9,838                 | 9,292               |
| Special Item Loss of Discontinuance                           | -                   | -                   | -                   | -                     | -                   |
| Nonoperating Investment Income and Other                      | 50,206              | 27,865              | 47,929              | 21,465                | -                   |
| Other Financing Sources Related to Leases                     | -                   | -                   | -                   | -                     | -                   |
| Other Revenue                                                 | 258,532             | 260,061             | 123,959             | 242,772               | 244,201             |
| Transfers                                                     | 843,055             | 727,311             | 831,243             | 831,243               | 797,559             |
| Total Business-Type Activities                                | <u>1,301,673</u>    | <u>1,197,489</u>    | <u>1,222,016</u>    | <u>1,447,806</u>      | <u>1,320,645</u>    |
| Total Primary Government                                      | <u>\$ 9,392,593</u> | <u>\$ 8,944,432</u> | <u>\$ 8,861,232</u> | <u>\$ 7,096,838</u>   | <u>\$ 7,943,642</u> |
| <b>CHANGE IN NET POSITION</b>                                 |                     |                     |                     |                       |                     |
| Governmental Activities                                       | \$ 3,397,411        | \$ 2,379,179        | \$ 1,006,124        | \$ (1,223,955)        | \$ 531,340          |
| Business-Type Activities                                      | <u>(284,481)</u>    | <u>(239,287)</u>    | <u>187,127</u>      | <u>204,324</u>        | <u>266,817</u>      |
| Total Primary Government                                      | <u>\$ 3,112,929</u> | <u>\$ 2,139,893</u> | <u>\$ 1,193,253</u> | <u>\$ (1,019,629)</u> | <u>\$ 798,157</u>   |

**STATE OF NEW MEXICO**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|                                    | Fiscal Year         |                      |                      |                      |                      |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2024                | 2023                 | 2022                 | 2021                 | 2020                 |
| General Fund:                      |                     |                      |                      |                      |                      |
| Nonspendable                       | \$ 501,981          | \$ 55,345            | \$ 52,590            | \$ 52,580            | \$ 46,026            |
| Restricted                         | 792,414             | 13,913,099           | 8,791,420            | 4,556,671            | 3,389,316            |
| Committed                          | -                   | 93,045               | 37,390               | 48,062               | 45,460               |
| Assigned                           | -                   | 145,357              | 158,751              | 25,065               | 12,923               |
| Unassigned                         | 64,075              | 598,490              | 427,031              | 356,122              | 532,328              |
| Total General Fund                 | <u>\$ 1,358,470</u> | <u>\$ 14,805,336</u> | <u>\$ 9,467,182</u>  | <u>\$ 5,038,500</u>  | <u>\$ 4,026,053</u>  |
| All Other Governmental Funds:      |                     |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                     |                      |                      |                      |                      |
| Nonspendable                       | \$ 43               | \$ 2,000             | \$ -                 | \$ -                 | \$ -                 |
| Restricted                         | 104                 | 41,949,338           | 36,103,646           | 34,773,091           | 26,933,416           |
| Committed                          | -                   | 2,520                | 20                   | 20                   | -                    |
| Assigned                           | -                   | -                    | -                    | -                    | 41                   |
| Unassigned (Deficit)               | 2,000               | (44,372)             | (33,657)             | (21,357)             | (6,817)              |
| Total All Other Governmental Funds | <u>\$ 2,147</u>     | <u>\$ 41,909,487</u> | <u>\$ 36,070,010</u> | <u>\$ 34,751,754</u> | <u>\$ 26,926,640</u> |
| All Governmental Funds:            |                     |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                     |                      |                      |                      |                      |
| Nonspendable                       | \$ 502,024          | \$ 57,345            | \$ 52,590            | \$ 52,580            | \$ 46,026            |
| Restricted                         | 792,518             | 55,862,437           | 44,895,066           | 39,329,762           | 30,322,732           |
| Committed                          | -                   | 95,565               | 37,410               | 48,082               | 45,460               |
| Assigned                           | -                   | 145,357              | 158,751              | 25,065               | 12,964               |
| Unassigned (Deficit)               | 66,075              | 554,118              | 393,375              | 334,765              | 525,513              |
| Total All Governmental Funds       | <u>\$ 1,360,617</u> | <u>\$ 56,714,823</u> | <u>\$ 45,537,192</u> | <u>\$ 39,790,255</u> | <u>\$ 30,952,693</u> |

\* Implementation of GASB 54 - Effective FY10

**STATE OF NEW MEXICO  
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|                                    | Fiscal Year          |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| General Fund:                      |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 47,309            | \$ 61,378            | \$ 59,626            | \$ 64,166            | \$ 52,433            |
| Restricted                         | 1,389,540            | 1,159,544            | 835,483              | 890,206              | 916,201              |
| Committed                          | 35,352               | 38,294               | 388,030              | 250,021              | 695,182              |
| Assigned                           | 15,472               | 11,572               | 9,088                | 9,989                | 16,395               |
| Unassigned                         | 1,607,072            | 882,313              | 4,895                | (120,451)            | 189,932              |
| Total General Fund                 | <u>\$ 3,094,745</u>  | <u>\$ 2,153,101</u>  | <u>\$ 1,297,122</u>  | <u>\$ 1,093,931</u>  | <u>\$ 1,870,143</u>  |
| All Other Governmental Funds:      |                      |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 10,000,000        |
| Restricted                         | 26,689,046           | 24,609,102           | 22,503,741           | 20,783,582           | 10,987,671           |
| Committed                          | -                    | 514                  | 1,959                | 11,315               | 10,758               |
| Assigned                           | 150                  | -                    | -                    | -                    | -                    |
| Unassigned (Deficit)               | (3)                  | 9,553                | (3,329)              | (9,342)              | -                    |
| Total All Other Governmental Funds | <u>\$ 26,689,193</u> | <u>\$ 24,619,169</u> | <u>\$ 22,502,371</u> | <u>\$ 20,785,555</u> | <u>\$ 20,998,429</u> |
| All Governmental Funds:            |                      |                      |                      |                      |                      |
| Post-GASB 54 Implementation:       |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 47,309            | \$ 61,378            | \$ 59,626            | \$ 64,166            | \$ 10,052,433        |
| Restricted                         | 28,078,586           | 25,768,646           | 23,339,224           | 21,673,788           | 11,903,872           |
| Committed                          | 35,352               | 38,808               | 389,989              | 261,336              | 705,940              |
| Assigned                           | 15,622               | 11,572               | 9,088                | 9,989                | 16,395               |
| Unassigned (Deficit)               | 1,607,069            | 891,866              | 1,566                | (129,793)            | 189,932              |
| Total All Governmental Funds       | <u>\$ 29,783,938</u> | <u>\$ 26,772,270</u> | <u>\$ 23,799,493</u> | <u>\$ 21,879,486</u> | <u>\$ 22,868,572</u> |

**STATE OF NEW MEXICO**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|                                                              | Fiscal Year         |                      |                     |                     |                     |
|--------------------------------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
|                                                              | 2024                | 2023                 | 2022                | 2021                | 2020                |
| <b>REVENUES</b>                                              |                     |                      |                     |                     |                     |
| Taxes                                                        | \$ 13,092,599       | \$ 12,697,561        | \$ 11,163,043       | \$ 8,020,634        | \$ 7,402,984        |
| Federal                                                      | 11,747,878          | 12,502,598           | 11,913,097          | 11,028,954          | 8,207,807           |
| Interest and Other Investment Income (Loss)                  | 4,484,509           | 2,873,705            | (1,531,551)         | 6,671,007           | 311,027             |
| Rentals and Royalties                                        | 5,353,935           | 5,936,951            | 4,671,215           | 2,064,447           | 1,871,338           |
| Charges for Services                                         | 223,685             | 209,754              | 193,778             | 177,892             | 165,893             |
| Licenses, Fees, and Permits                                  | 419,525             | 366,838              | 348,939             | 338,765             | 310,474             |
| Assessments *                                                | 55,507              | 52,420               | 47,430              | 43,215              | 46,289              |
| Other Revenues                                               | 798,153             | 614,101              | 251,044             | 285,083             | 321,663             |
| Total Revenues                                               | 36,175,791          | 35,253,928           | 27,056,995          | 28,629,997          | 18,637,475          |
| <b>EXPENDITURES</b>                                          |                     |                      |                     |                     |                     |
| Current:                                                     |                     |                      |                     |                     |                     |
| Culture, Recreation, and Natural Resources                   | 725,548             | 252,798              | 321,970             | 263,873             | 271,368             |
| Education                                                    | 6,046,229           | 5,238,143            | 4,441,370           | 3,995,767           | 3,926,195           |
| General Control                                              | 1,278,570           | 1,161,992            | 828,625             | 1,546,468           | 414,139             |
| Health and Human Services                                    | 13,114,581          | 12,952,559           | 12,395,672          | 10,880,703          | 9,408,746           |
| Highways and Transportation                                  | 812,994             | 739,070              | 585,769             | 519,970             | 556,756             |
| Judicial                                                     | 436,783             | 393,753              | 372,489             | 345,789             | 347,330             |
| Legislative                                                  | 38,180              | 34,604               | 28,171              | 26,532              | 25,855              |
| Public Safety                                                | 914,254             | 761,757              | 646,520             | 557,020             | 574,944             |
| Regulation and Licensing                                     | 331,806             | 321,085              | 165,249             | 437,354             | 200,198             |
| Capital Outlay                                               | 958,735             | 872,681              | 792,061             | 649,771             | 543,938             |
| Debt Service:                                                |                     |                      |                     |                     |                     |
| Principal                                                    | 2,017,301           | 1,461,940            | 858,409             | 730,374             | 892,163             |
| Interest                                                     | 137,487             | 126,590              | 119,189             | 94,305              | 114,062             |
| Total Expenditures                                           | 26,812,468          | 24,316,972           | 21,555,494          | 20,047,926          | 17,275,695          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 9,363,323           | 10,936,956           | 5,501,501           | 8,582,071           | 1,361,780           |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                      |                     |                     |                     |
| Bonds Issued                                                 | 1,505,715           | 1,539,199            | 964,189             | 974,808             | 701,709             |
| Bond Premium                                                 | -                   | 59,060               | 100,393             | 130,009             | 17,947              |
| Refunding Bond Issue                                         | -                   | -                    | 51,777              | 107,346             | -                   |
| Proceeds from the Sale of Capital Assets                     | 4,999               | 1,926                | 3,307               | 1,057               | 1,836               |
| Operating Transfers In                                       | 12,552,125          | 5,878,981            | 5,292,395           | 3,095,754           | 1,502,549           |
| Operating Transfers Out                                      | (14,135,705)        | (7,326,274)          | (6,206,988)         | (4,016,147)         | (2,449,323)         |
| Payment to Refunded Bond Escrow Agent                        | -                   | -                    | (51,981)            | (113,803)           | -                   |
| Miscellaneous Other Financing Sources (Uses)                 | 89,438              | 87,120               | 111,735             | -                   | -                   |
| Total Other Financing Sources (Uses)                         | 16,572              | 240,012              | 264,827             | 179,024             | (225,282)           |
| <b>SPECIAL ITEM</b>                                          |                     |                      |                     |                     |                     |
| Reduction of Loss Contingency                                | -                   | -                    | -                   | -                   | -                   |
| Native American Water Rights Settlement                      | -                   | -                    | -                   | -                   | -                   |
| Arizona Water Settlement                                     | -                   | -                    | -                   | -                   | -                   |
| Total Special Items                                          | -                   | -                    | -                   | -                   | -                   |
| Total other Financing Sources (Uses)<br>and Special Items    | 16,572              | 240,012              | 264,827             | 179,024             | (225,282)           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>\$ 9,379,895</u> | <u>\$ 11,176,968</u> | <u>\$ 5,766,328</u> | <u>\$ 8,761,095</u> | <u>\$ 1,136,498</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 8.3%                | 6.8%                 | 4.7%                | 4.3%                | 4.8%                |



**STATE OF NEW MEXICO  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|                                                              | Fiscal Year         |                     |                     |                     |                   |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
|                                                              | 2019                | 2018                | 2017<br>as Restated | 2016                | 2015              |
| <b>REVENUES</b>                                              |                     |                     |                     |                     |                   |
| Taxes                                                        | \$ 7,096,167        | \$ 6,401,737        | \$ 5,472,102        | \$ 5,197,084        | \$ 5,923,849      |
| Federal                                                      | 6,734,473           | 6,848,354           | 6,595,840           | 6,856,707           | 6,363,684         |
| Interest and Other Investment Income (Loss)                  | 1,402,273           | 1,948,254           | 2,540,517           | 912,262             | 1,211,998         |
| Rentals and Royalties                                        | 2,246,843           | 1,403,151           | 1,002,692           | 888,424             | 1,281,002         |
| Charges for Services                                         | 168,392             | 173,087             | 164,565             | 119,509             | 124,674           |
| Licenses, Fees, and Permits                                  | 318,456             | 319,293             | 294,482             | 307,532             | 295,282           |
| Assessments *                                                | 14,983              | 12,803              | 13,820              | 14,389              | -                 |
| Other Revenues                                               | 388,654             | 257,393             | 781,248             | 633,628             | 202,935           |
| Total Revenues                                               | 18,370,240          | 17,364,072          | 16,865,266          | 14,929,535          | 15,403,424        |
| <b>EXPENDITURES</b>                                          |                     |                     |                     |                     |                   |
| Current:                                                     |                     |                     |                     |                     |                   |
| Culture, Recreation, and Natural Resources                   | 243,938             | 228,675             | 230,478             | 223,328             | 210,368           |
| Education                                                    | 3,480,930           | 3,166,486           | 3,285,298           | 3,554,249           | 4,025,302         |
| General Control                                              | 467,422             | 550,302             | 981,271             | 1,600,674           | 487,468           |
| Health and Human Services                                    | 7,855,655           | 7,975,718           | 7,737,341           | 7,996,609           | 7,355,734         |
| Highways and Transportation                                  | 503,931             | 420,625             | 448,401             | 740,977             | 462,267           |
| Judicial                                                     | 325,644             | 300,587             | 298,224             | 306,727             | 250,360           |
| Legislative                                                  | 27,331              | 23,992              | 26,725              | 23,022              | 27,696            |
| Public Safety                                                | 540,565             | 515,112             | 535,834             | 482,558             | 470,406           |
| Regulation and Licensing                                     | 188,274             | 169,142             | 116,252             | 111,747             | 121,567           |
| Capital Outlay                                               | 487,503             | 405,338             | 352,204             | 118,018             | 444,308           |
| Debt Service:                                                |                     |                     |                     |                     |                   |
| Principal                                                    | 567,644             | 382,549             | 298,168             | 282,120             | 284,766           |
| Interest                                                     | 120,424             | 190,182             | 123,810             | 109,886             | 128,197           |
| Total Expenditures                                           | 14,809,261          | 14,328,708          | 14,434,007          | 15,549,915          | 14,268,439        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 3,560,979           | 3,035,364           | 2,431,259           | (620,380)           | 1,134,985         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |                     |                   |
| Bonds Issued                                                 | 310,118             | 539,370             | 45,815              | 474,018             | 141,635           |
| Bond Premium                                                 | 7,170               | 154,128             | 5,463               | 82,239              | 43,146            |
| Refunding Bond Issue                                         | -                   | 420,096             | -                   | 181,395             | 79,405            |
| Proceeds from the Sale of Capital Assets                     | 1,577               | 1,751               | 1,226               | 1,803               | 1,136             |
| Operating Transfers In                                       | 2,172,675           | 8,604,858           | 8,030,490           | 7,182,543           | 7,233,253         |
| Operating Transfers Out                                      | (3,019,190)         | (9,336,219)         | (8,739,680)         | (7,918,883)         | (8,035,458)       |
| Payment to Refunded Bond Escrow Agent                        | -                   | (450,865)           | -                   | (208,143)           | (96,083)          |
| Miscellaneous Other Financing Sources (Uses)                 | -                   | -                   | -                   | -                   | -                 |
| Total Other Financing Sources (Uses)                         | (527,650)           | (66,881)            | (656,687)           | (205,028)           | (632,966)         |
| <b>SPECIAL ITEM</b>                                          |                     |                     |                     |                     |                   |
| Reduction of Loss Contingency                                | -                   | -                   | -                   | -                   | 93,479            |
| Native American Water Rights Settlement                      | -                   | -                   | -                   | (12,436)            | -                 |
| Arizona Water Settlement                                     | -                   | -                   | -                   | (9,040)             | -                 |
| Total Special Items                                          | -                   | -                   | -                   | (21,476)            | 93,479            |
| Total other Financing Sources (Uses)<br>and Special Items    | (527,650)           | (66,881)            | (656,687)           | (226,504)           | (539,487)         |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>\$ 3,033,329</u> | <u>\$ 2,968,483</u> | <u>\$ 1,774,572</u> | <u>\$ (846,884)</u> | <u>\$ 595,498</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 4.8%                | 4.1%                | 3.0%                | 2.5%                | 3.0%              |

**STATE OF NEW MEXICO**  
**SCHEDULE OF REVENUES, STATE GENERAL FUND**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

|                                                 | Fiscal Year  |              |                     |                     |                     |
|-------------------------------------------------|--------------|--------------|---------------------|---------------------|---------------------|
|                                                 | 2024         | 2023         | 2022<br>as Restated | 2021<br>as Restated | 2019<br>as Restated |
| <b>REVENUES</b>                                 |              |              |                     |                     |                     |
| Taxes and License Fees:                         |              |              |                     |                     |                     |
| General and Selective Sales Taxes:              |              |              |                     |                     |                     |
| Gross Receipts                                  | \$ 4,048,573 | \$ 3,954,164 | \$ 3,424,014        | \$ 2,799,239        | \$ 2,942,128        |
| Compensating                                    | 83,157       | 93,866       | 63,139              | 63,893              | 63,578              |
| Tobacco (Luxury)                                | 71,109       | 81,140       | 82,813              | 90,529              | 88,809              |
| Alcoholic Beverage                              | 24,026       | 24,485       | 25,023              | 24,575              | 24,610              |
| Insurance                                       | 369,989      | 390,850      | 320,850             | 292,664             | 259,170             |
| Fire Protection                                 | -            | -            | -                   | -                   | -                   |
| Racing                                          | -            | -            | -                   | -                   | -                   |
| Private Car                                     | -            | -            | 999                 | 762                 | 552                 |
| Motor Vehicle and Other Excise Tax              | 167,257      | 164,724      | 155,261             | 174,061             | 137,769             |
| Gaming Tax                                      | 67,722       | 72,062       | 68,365              | 24,655              | 46,005              |
| Leased Vehicles Gross Receipts<br>and Surcharge | 3,951        | 3,709        | 3,286               | 3,099               | 4,711               |
| Gasoline Tax                                    | 5,570        | 739          | 2,547               | 851                 | 596                 |
| Telecommunications Relay Surcharge              | 50           | 13           | 95                  | 203                 | 113                 |
| Boat Excise Tax                                 | 417          | 368          | 360                 | 441                 | 290                 |
| Total General and Selective Sales Tax           | 4,841,821    | 4,786,120    | 4,146,752           | 3,474,972           | 3,568,332           |
| Income Taxes:                                   |              |              |                     |                     |                     |
| Gross Withholding                               | 122,656      | 183,429      | 198,996             | 159,802             | 100,329             |
| Final Settlements                               | 2,034,742    | 1,507,614    | 1,194,645           | 1,643,503           | 1,577,189           |
| Less:                                           |              |              |                     |                     |                     |
| Transfer - Retiree Health Care                  | -            | -            | -                   | -                   | -                   |
| Transfer - PIT Suspense and Others              | -            | -            | -                   | -                   | -                   |
| Net Personal Income Taxes                       | 2,157,398    | 1,691,043    | 1,393,641           | 1,803,304           | 1,677,518           |
| Corporate Taxes                                 | 627,150      | 439,140      | 343,853             | 149,666             | 63,198              |
| Estate Taxes                                    | -            | -            | -                   | -                   | -                   |
| Fiduciary Taxes                                 | 35,815       | -            | 34,979              | 3,107               | 14,343              |
| Total Income Taxes                              | 2,820,362    | 2,130,182    | 1,772,471           | 1,956,077           | 1,755,060           |
| Severance Taxes:                                |              |              |                     |                     |                     |
| Oil and Gas School Tax                          | 1,810,562    | 1,987,797    | 1,865,805           | 763,113             | 388,671             |
| 7% Oil Conservation                             | 106,204      | 109,966      | 99,655              | 39,597              | 29,510              |
| Resources Excise                                | 7,865        | 9,200        | 8,716               | 6,751               | 7,148               |
| Natural Gas Processors                          | 53,519       | 35,120       | 10,195              | 10,504              | 14,764              |
| Total Severance Taxes                           | 1,978,150    | 2,142,083    | 1,984,370           | 819,965             | 440,093             |
| Total Taxes                                     | 9,640,333    | 9,058,385    | 7,903,594           | 6,251,014           | 5,763,485           |
| License Fees:                                   |              |              |                     |                     |                     |
| Manufactured Housing                            | -            | -            | -                   | -                   | 70                  |
| Trade and Professions License                   | 11,122       | 26,128       | -                   | -                   | 23,457              |
| Corporate Filing                                | 5,315        | 4,400        | 5,103               | 4,278               | 4,176               |
| Alcoholic Beverages and Gaming                  | -            | 456          | -                   | -                   | -                   |
| Financial Institutions                          | -            | -            | -                   | -                   | 3,396               |
| Corporate Special                               | -            | -            | -                   | -                   | -                   |
| Construction Industries                         | -            | (1)          | (1)                 | -                   | 4,890               |
| Gaming License and Permit Fees                  | 300          | 1,087        | 345                 | 299                 | 313                 |
| Securities Receipts                             | -            | -            | -                   | -                   | 2,531               |
| Public Utilities                                | 15,773       | 17,051       | 15,545              | 17,067              | 11,464              |
| Pipeline Fees                                   | 407          | 202          | 306                 | 164                 | 170                 |
| Motor Vehicles Miscellaneous Fees               | -            | -            | (1,115)             | 368                 | 228                 |
| MVD Penalty Assessments                         | 448          | 556          | 3,600               | 3,323               | 3,771               |
| Total License Fees                              | 33,367       | 49,881       | 23,785              | 25,499              | 54,464              |
| Total Taxes and License Fees                    | 9,673,700    | 9,108,266    | 7,927,379           | 7,929,094           | 6,305,477           |

**STATE OF NEW MEXICO  
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                 | Fiscal Year         |                     |                     |              |              |
|-------------------------------------------------|---------------------|---------------------|---------------------|--------------|--------------|
|                                                 | 2019<br>as Restated | 2018<br>as Restated | 2017<br>as Restated | 2016         | 2015         |
| <b>REVENUES</b>                                 |                     |                     |                     |              |              |
| Taxes and License Fees:                         |                     |                     |                     |              |              |
| General and Selective Sales Taxes:              |                     |                     |                     |              |              |
| Gross Receipts                                  | \$ 2,669,415        | \$ 2,381,082        | \$ 2,013,548        | \$ 1,975,416 | \$ 2,095,153 |
| Compensating                                    | 78,380              | 56,102              | 48,529              | 46,882       | 71,840       |
| Tobacco (Luxury)                                | 75,424              | 78,368              | 77,887              | 79,819       | 82,348       |
| Alcoholic Beverage                              | 25,295              | 23,811              | 7,376               | 6,732        | 26,263       |
| Insurance                                       | 216,347             | 213,597             | 227,464             | 207,904      | 189,953      |
| Fire Protection                                 | -                   | 1,020               | -                   | 15,069       | 15,156       |
| Racing                                          | 765                 | 1,084               | 1,096               | 1,130        | 670          |
| Private Car                                     | 931                 | 860                 | 663                 | 703          | 660          |
| Motor Vehicle and Other Excise Tax              | 152,523             | 154,008             | 145,238             | 150,395      | 138,701      |
| Gaming Tax                                      | 64,886              | 62,054              | 59,523              | 63,050       | 70,409       |
| Leased Vehicles Gross Receipts<br>and Surcharge | 5,727               | 5,528               | 5,489               | 5,536        | 5,236        |
| Gasoline Tax                                    | 971                 | 358                 | (380)               | 867          | (1,152)      |
| Telecommunications Relay Surcharge              | 66                  | 58                  | 59                  | 69           | 123          |
| Boat Excise Tax                                 | 282                 | 347                 | 325                 | 195          | 184          |
| Total General and Selective Sales Tax           | 3,291,012           | 2,978,277           | 2,586,817           | 2,553,767    | 2,695,544    |
| Income Taxes:                                   |                     |                     |                     |              |              |
| Gross Withholding                               | 166,318             | 923,665             | 872,299             | 1,200,151    | 1,179,123    |
| Final Settlements                               | 1,500,831           | 614,620             | 504,741             | 508,566      | 535,298      |
| Less:                                           |                     |                     |                     |              |              |
| Transfer - Retiree Health Care                  | -                   | (26,507)            | -                   | (29,519)     | (26,678)     |
| Transfer - PIT Suspense and Others              | -                   | -                   | -                   | (359,043)    | (355,541)    |
| Net Personal Income Taxes                       | 1,667,149           | 1,511,778           | 1,377,040           | 1,320,155    | 1,332,202    |
| Corporate Taxes                                 | 22,808              | 106,601             | 70,156              | 118,502      | 254,477      |
| Estate Taxes                                    | -                   | -                   | -                   | 1            | 1            |
| Fiduciary Taxes                                 | 4,865               | 7,180               | 3,635               | 7,053        | 7,510        |
| Total Income Taxes                              | 1,694,822           | 1,625,559           | 1,450,831           | 1,445,711    | 1,594,190    |
| Severance Taxes:                                |                     |                     |                     |              |              |
| Oil and Gas School Tax                          | 555,356             | 450,787             | 304,262             | 236,818      | 375,423      |
| 7% Oil Conservation                             | 28,702              | 22,885              | 17,368              | 11,375       | 20,091       |
| Resources Excise                                | 7,834               | 8,569               | 9,649               | 11,203       | 13,345       |
| Natural Gas Processors                          | 15,125              | 10,841              | 10,307              | 20,354       | 18,594       |
| Total Severance Taxes                           | 607,017             | 493,082             | 341,586             | 279,750      | 427,453      |
| Total Taxes                                     | 5,592,851           | 5,096,918           | 4,379,234           | 4,279,228    | 4,717,187    |
| License Fees:                                   |                     |                     |                     |              |              |
| Manufactured Housing                            | 462                 | 432                 | 419                 | 375          | 753          |
| Trade and Professions License                   | -                   | -                   | -                   | -            | -            |
| Corporate Filing                                | 3,881               | 4,042               | 3,437               | 3,327        | 4,020        |
| Alcoholic Beverages and Gaming                  | 4,960               | 4,075               | 4,186               | 4,028        | 3,931        |
| Financial Institutions                          | 3,747               | 3,564               | 3,480               | 3,455        | 3,556        |
| Corporate Special                               | -                   | -                   | 2,984               | 2,955        | 3,308        |
| Construction Industries                         | 4,909               | 5,543               | 4,700               | 6,092        | 6,199        |
| Gaming License and Permit Fees                  | 373                 | 6,365               | 577                 | 353          | 416          |
| Securities Receipts                             | 22,340              | 22,267              | 22,399              | 22,016       | 21,267       |
| Public Utilities                                | 14,493              | 14,538              | 11,021              | 12,040       | 12,129       |
| Pipeline Fees                                   | 242                 | 207                 | 137                 | 153          | 196          |
| Motor Vehicles Miscellaneous Fees               | 596                 | 401                 | -                   | 20           | 100          |
| MVD Penalty Assessments                         | 4,484               | 4,632               | 4,271               | 4,009        | 5,658        |
| Total License Fees                              | 60,487              | 66,066              | 57,611              | 58,823       | 61,533       |
| Total Taxes and License Fees                    | 5,823,972           | 5,658,917           | 5,154,529           | 4,438,057    | 4,340,761    |

**STATE OF NEW MEXICO  
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                        | Fiscal Year   |               |                     |                     |                     |
|----------------------------------------|---------------|---------------|---------------------|---------------------|---------------------|
|                                        | 2024          | 2023          | 2022<br>as Restated | 2021<br>as Restated | 2019<br>as Restated |
| <b>OTHER REVENUE SOURCES</b>           |               |               |                     |                     |                     |
| Investment Income:                     |               |               |                     |                     |                     |
| State Land Grant Permanent Fund Income | \$ -          | \$ -          | \$ -                | \$ -                | \$ -                |
| Earnings on State Balances             | 390,495       | 181,378       | (118,318)           | 5,348               | 91,751              |
| Severance Tax Permanent Fund Earnings  | -             | -             | -                   | -                   | -                   |
| Total Interest Earnings                | 390,495       | 181,378       | (118,318)           | 5,348               | 91,751              |
| Rents and Royalties:                   |               |               |                     |                     |                     |
| Federal Mineral Leasing                | 2,824,709     | 3,192,349     | 2,256,717           | 811,496             | 817,116             |
| Land Office                            | -             | -             | -                   | -                   | 69,858              |
| Tribal Revenue Sharing                 | 83,597        | 78,163        | 71,434              | 48,166              | 51,677              |
| Total Rents and Royalties              | 2,908,306     | 3,270,512     | 2,328,151           | 859,662             | 938,651             |
| Miscellaneous Receipts and Fees:       |               |               |                     |                     |                     |
| Environment Department Filing Fees     | 30,912        | 996           | 5,370               | 1,847               | 677                 |
| Administrative Fees                    | -             | -             | -                   | 2,728               | -                   |
| Media Lease Payments                   | -             | -             | -                   | -                   | -                   |
| Fines and Forfeitures                  | 2,744         | 2,879         | 2,717               | 2,528               | 3,107               |
| Birth and Death Certificates           | -             | -             | 1,203               | 1,232               | 1,192               |
| District Judge Receipts                | 1,077         | 978           | 812                 | 893                 | 1,010               |
| Notary Public Fees                     | 932           | 923           | (168)               | 653                 | 46                  |
| Legislative Receipts                   | -             | -             | -                   | 591                 | 9                   |
| Workmen's Compensation Fees            | 388           | 660           | 578                 | 751                 | 884                 |
| Health Care Quality Surcharge          | 351           | -             | 36                  | 78                  | 1,096               |
| Law Enforcement Protection             | -             | -             | -                   | -                   | -                   |
| Small County Assistance                | -             | -             | -                   | -                   | -                   |
| Supreme Court Fees                     | -             | -             | -                   | -                   | -                   |
| Unclaimed Property                     | 37,931        | 36,587        | 27,111              | 29,481              | 15,565              |
| Restitution Payments                   | 4,262         | (403)         | 291                 | 251                 | 204                 |
| Total Miscellaneous Receipts and Fees  | 78,597        | 42,620        | 37,949              | 41,034              | 23,790              |
| Other Revenues:                        |               |               |                     |                     |                     |
| Miscellaneous Nonrecurring             | 22            | 30            | 22                  | 482                 | 219                 |
| Transfers - Reversions                 | -             | -             | -                   | -                   | -                   |
| Total Other Revenues                   | 22            | 30            | 22                  | 482                 | 219                 |
| Total Other Revenue Sources            | 3,377,420     | 3,494,540     | 2,247,804           | 2,251,347           | 889,020             |
| Total Revenues                         | \$ 13,051,119 | \$ 12,602,805 | \$ 10,175,182       | \$ 10,178,725       | \$ 8,818,114        |

Source: General Fund Financial Audit (30600) - Schedule of Revenue by Source  
Department of Finance and Administration General Fund Report

Alcohol is down due to sending a portion to the lottery scholarship fund

**STATE OF NEW MEXICO  
SCHEDULE OF REVENUES, STATE GENERAL FUND (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                        | Fiscal Year         |                     |                     |                     |                     |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                        | 2019<br>as Restated | 2018<br>as Restated | 2017<br>as Restated | 2016                | 2015                |
| <b>OTHER REVENUE SOURCES</b>           |                     |                     |                     |                     |                     |
| Investment Income:                     |                     |                     |                     |                     |                     |
| State Land Grant Permanent Fund Income | \$ -                | \$ -                | \$ -                | \$ 555,103          | \$ 502,757          |
| Earnings on State Balances             | 86,880              | 5,945               | (3,230)             | 25,224              | 24,160              |
| Severance Tax Permanent Fund Earnings  | -                   | -                   | -                   | 193,510             | 182,723             |
| Total Interest Earnings                | 86,880              | 5,945               | (3,230)             | 773,837             | 709,640             |
| Rents and Royalties:                   |                     |                     |                     |                     |                     |
| Federal Mineral Leasing                | 1,146,800           | 564,232             | 435,692             | 47,817              | 42,235              |
| Land Office                            | 132,454             | 111,845             | 71,490              | 390,005             | 542,184             |
| Tribal Revenue Sharing                 | 78,430              | 68,092              | 62,717              | 64,413              | 67,178              |
| Total Rents and Royalties              | 1,357,684           | 744,169             | 569,899             | 502,235             | 651,597             |
| Miscellaneous Receipts and Fees:       |                     |                     |                     |                     |                     |
| Environment Department Filing Fees     | 1,082               | 1,260               | 747                 | 1,241               | 4,212               |
| Administrative Fees                    | -                   | -                   | -                   | -                   | -                   |
| Media Lease Payments                   | -                   | -                   | 22                  | 18                  | 19                  |
| Fines and Forfeitures                  | 3,563               | 3,932               | 4,241               | 4,514               | 5,241               |
| Birth and Death Certificates           | 1,175               | 1,260               | 1,184               | 1,043               | 1,019               |
| District Judge Receipts                | 1,095               | 1,146               | 1,096               | 947                 | 925                 |
| Notary Public Fees                     | 683                 | 658                 | 743                 | 984                 | 681                 |
| Legislative Receipts                   | 22                  | 13                  | 26                  | 14                  | 28                  |
| Workmen's Compensation Fees            | 699                 | 390                 | 7                   | 3                   | 5                   |
| Health Care Quality Surcharge          | -                   | -                   | -                   | -                   | -                   |
| Law Enforcement Protection             | -                   | -                   | -                   | 15,297              | 7,641               |
| Small County Assistance                | -                   | -                   | -                   | 11                  | 5,809               |
| Supreme Court Fees                     | 1                   | 1                   | 1                   | 1                   | 1                   |
| Unclaimed Property                     | 28,089              | 20,113              | 23,030              | 19,789              | 24,644              |
| Restitution Payments                   | 91                  | 42                  | 176                 | 201                 | 269                 |
| Total Miscellaneous Receipts and Fees  | 36,499              | 28,815              | 31,273              | 44,063              | 50,494              |
| Other Revenues:                        |                     |                     |                     |                     |                     |
| Miscellaneous Nonrecurring             | 138                 | 173                 | 970                 | 39,616              | 36,136              |
| Transfers - Reversions                 | -                   | -                   | 366,208             | 56,367              | 59,163              |
| Total Other Revenues                   | 138                 | 173                 | 367,178             | 95,983              | 95,299              |
| Total Other Revenue Sources            | 1,067,039           | 1,473,552           | 1,148,565           | 706,714             | 1,421,865           |
| Total Revenues                         | <u>\$ 7,372,516</u> | <u>\$ 7,297,524</u> | <u>\$ 6,807,482</u> | <u>\$ 5,861,243</u> | <u>\$ 5,859,922</u> |

**STATE OF NEW MEXICO  
REVENUE BASE  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS)**

|                                                           | Fiscal Year          |                      |                      |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                           | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| <b>Taxable Gross Receipts (in Thousands):</b>             |                      |                      |                      |                      |                      |
| Agriculture, Forestry, and Fishing                        | \$ 222,213           | \$ 124,523           | \$ 251,871           | \$ 124,832           | \$ 175,237           |
| Mining                                                    | 11,600,049           | 11,073,103           | 7,969,653            | 3,883,084            | 7,310,833            |
| Construction                                              | 12,739,548           | 11,100,617           | 9,027,400            | 6,612,931            | 10,989,995           |
| Manufacturing                                             | 3,695,215            | 3,147,379            | 3,649,339            | 1,549,363            | 2,306,998            |
| Transportation                                            | 1,641,185            | 1,537,645            | 1,499,545            | 846,609              | 1,187,865            |
| Communications and Utilities                              | 3,035,958            | 3,235,541            | 4,589,831            | 3,723,750            | 6,120,717            |
| Wholesale Trade                                           | 4,526,408            | 4,507,202            | 2,290,375            | 2,211,281            | 3,648,654            |
| Retail Trade                                              | 20,289,023           | 19,520,364           | 17,011,431           | 11,334,814           | 16,425,084           |
| Finance, Insurance, and Real Estate                       | 3,264,226            | 2,945,664            | 2,511,559            | 1,677,853            | 2,582,843            |
| Services and Other                                        | 7,289,089            | 6,488,255            | 27,328,590           | 19,425,400           | 30,267,240           |
| Public Administration                                     | 101,573              | 52,116               | 27,645               | 535,586              | 883,472              |
| <b>Total Taxable Gross Receipts</b>                       | <b>\$ 68,404,487</b> | <b>\$ 63,732,409</b> | <b>\$ 76,157,239</b> | <b>\$ 51,925,503</b> | <b>\$ 81,898,938</b> |
| <b>State Gross Receipts Tax Rate</b>                      | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          |
| <b>Personal Income by Industry (in Millions):</b>         |                      |                      |                      |                      |                      |
| Federal Civilian                                          | \$ 4,020             | \$ 3,750             | \$ 4,103             | \$ 3,605             | \$ 3,397             |
| Federal Military                                          | 1,853                | 1,708                | 1,836                | 1,556                | 1,459                |
| State and Local Government                                | 12,176               | 11,454               | 13,522               | 10,572               | 10,470               |
| Farm Earnings                                             | 1,062                | 884                  | 1,527                | 1,227                | 1,036                |
| Forestry, Fishing, and Related Activities                 | 182                  | 159                  | 181                  | 176                  | 170                  |
| Mining                                                    | 3,853                | 2,962                | 4,109                | 2,104                | 2,656                |
| Utilities                                                 | 548                  | 559                  | 842                  | 566                  | 522                  |
| Construction                                              | 4,895                | 3,926                | 4,132                | 3,981                | 4,001                |
| Manufacturing                                             | 2,688                | 2,466                | 3,123                | 2,212                | 2,210                |
| Wholesale Trade                                           | 1,881                | 1,744                | 1,856                | 1,533                | 1,569                |
| Retail                                                    | 4,490                | 4,361                | 5,632                | 4,048                | 3,669                |
| Transportation and Warehousing                            | 2,396                | 2,151                | 2,632                | 1,821                | 1,858                |
| Information                                               | 1,074                | 1,056                | 1,863                | 875                  | 829                  |
| Financial, Insurance, Real Estate,<br>Rental, and Leasing | 4,528                | 4,334                | 3,696                | 3,325                | 3,094                |
| Services                                                  | 20,164               | 332                  | 24,562               | 22,874               | 21,959               |
| Other'                                                    | 51,020               | 58,985               | 47,233               | 41,089               | 35,532               |
| <b>Total Personal Income</b>                              | <b>\$ 116,830</b>    | <b>\$ 100,831</b>    | <b>\$ 120,849</b>    | <b>\$ 101,564</b>    | <b>\$ 94,431</b>     |
| <b>Highest Income Tax Rate</b>                            | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          |

**STATE OF NEW MEXICO  
REVENUE BASE (CONTINUED)  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS)**

|                                                           | Fiscal Year          |                      |                      |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                           | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| <b>Taxable Gross Receipts (in Thousands):</b>             |                      |                      |                      |                      |                      |
| Agriculture, Forestry, and Fishing                        | \$ 126,252           | \$ 126,940           | \$ 111,430           | \$ 106,156           | \$ 84,720            |
| Mining                                                    | 6,815,136            | 4,834,724            | 2,213,846            | 2,328,158            | 4,144,544            |
| Construction                                              | 8,027,002            | 7,428,957            | 6,312,982            | 6,537,914            | 6,331,176            |
| Manufacturing                                             | 2,084,012            | 1,617,171            | 1,315,416            | 1,607,798            | 2,238,013            |
| Transportation                                            | 1,175,605            | 836,920              | 571,482              | 668,207              | 867,443              |
| Communications and Utilities                              | 5,384,324            | 5,161,295            | 4,673,015            | 5,281,589            | 5,134,386            |
| Wholesale Trade                                           | 3,529,917            | 2,698,455            | 1,786,231            | 2,030,984            | 2,544,689            |
| Retail Trade                                              | 14,780,421           | 13,041,456           | 11,045,865           | 12,063,308           | 12,553,764           |
| Finance, Insurance, and Real Estate                       | 2,338,187            | 2,032,733            | 1,559,574            | 1,613,419            | 1,630,999            |
| Services and Other                                        | 26,756,441           | 22,338,845           | 17,675,223           | 19,824,081           | 19,219,587           |
| Public Administration                                     | 901,867              | 425,736              | 587,747              | 665,833              | 673,442              |
| <b>Total Taxable Gross Receipts</b>                       | <b>\$ 71,919,164</b> | <b>\$ 60,543,232</b> | <b>\$ 47,852,811</b> | <b>\$ 52,727,447</b> | <b>\$ 55,422,763</b> |
| <b>State Gross Receipts Tax Rate</b>                      | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          | <b>5.1%</b>          |
| <b>Personal Income by Industry (in Millions):</b>         |                      |                      |                      |                      |                      |
| Federal Civilian                                          | \$ 3,335             | \$ 3,373             | \$ 3,220             | \$ 3,103             | \$ 3,110             |
| Federal Military                                          | 1,398                | 1,323                | 1,321                | 1,265                | 1,215                |
| State and Local Government                                | 9,976                | 9,596                | 9,379                | 9,836                | 9,860                |
| Farm Earnings                                             | 767                  | 793                  | 889                  | 664                  | 1,088                |
| Forestry, Fishing, and Related Activities                 | 169                  | 163                  | 170                  | 142                  | 145                  |
| Mining                                                    | 3,013                | 2,638                | 2,532                | 2,393                | 3,035                |
| Utilities                                                 | 511                  | 490                  | 490                  | 533                  | 503                  |
| Construction                                              | 3,659                | 3,474                | 3,368                | 3,146                | 3,111                |
| Manufacturing                                             | 1,868                | 1,717                | 1,372                | 1,606                | 2,118                |
| Wholesale Trade                                           | 1,538                | 1,456                | 1,517                | 1,491                | 1,442                |
| Retail                                                    | 3,599                | 3,549                | 3,667                | 3,670                | 3,546                |
| Transportation and Warehousing                            | 1,713                | 1,578                | 1,550                | 1,503                | 1,569                |
| Information                                               | 914                  | 845                  | 812                  | 859                  | 927                  |
| Financial, Insurance, Real Estate,<br>Rental, and Leasing | 2,855                | 2,721                | 2,732                | 2,652                | 2,725                |
| Services                                                  | 21,462               | 20,359               | 19,782               | 19,465               | 18,166               |
| Other'                                                    | 32,843               | 30,596               | 27,992               | 28,063               | 27,490               |
| <b>Total Personal Income</b>                              | <b>\$ 89,620</b>     | <b>\$ 84,671</b>     | <b>\$ 80,793</b>     | <b>\$ 80,391</b>     | <b>\$ 80,050</b>     |
| <b>Highest Income Tax Rate</b>                            | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          | <b>4.9%</b>          |

**STATE OF NEW MEXICO**  
**REVENUE PAYERS BY INDUSTRY – TAXABLE SALES, SERVICES, AND USE TAX PURCHASES**  
**MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**  
**(IN THOUSANDS)**

|                                                          | Fiscal Year 2024  |                  |                        |                  | Calendar Year 2016 |                  |                        |                  |
|----------------------------------------------------------|-------------------|------------------|------------------------|------------------|--------------------|------------------|------------------------|------------------|
|                                                          | Number of Outlets | Percent of Total | Taxable Gross Receipts | Percent of Total | Number of Outlets  | Percent of Total | Taxable Gross Receipts | Percent of Total |
| Agriculture, Forestry, and Fishing                       | 11,370            | 0.5%             | \$ 222,213             | 0.3%             | 4,086              | 0.4%             | \$ 54,047              | 0.1%             |
| Mining                                                   | 23,738            | 0.9%             | 11,600,049             | 17.1%            | 9,752              | 1.0%             | 2,998,455              | 7.7%             |
| Construction                                             | 162,389           | 6.4%             | 12,739,548             | 18.8%            | 101,298            | 10.6%            | 4,257,409              | 10.9%            |
| Manufacturing                                            | 305,112           | 12.0%            | 3,695,216              | 5.5%             | 42,542             | 4.4%             | 1,607,519              | 4.1%             |
| Transportation                                           | 32,572            | 1.3%             | 1,641,185              | 2.4%             | 13,402             | 1.4%             | 543,996                | 1.4%             |
| Communications and Utilities                             | 14,052            | 0.6%             | 5,108,219              | 7.5%             | 7,309              | 0.8%             | 1,908,054              | 4.9%             |
| Wholesale Trade                                          | 328,463           | 12.9%            | 4,526,408              | 6.7%             | 53,838             | 5.6%             | 1,790,115              | 4.6%             |
| Retail Trade                                             | 1,251,667         | 49.2%            | 20,289,023             | 29.8%            | 198,243            | 20.7%            | 9,268,342              | 23.7%            |
| Finance, Insurance, and Real Estate                      | 135,750           | 5.3%             | 556,420                | 0.8%             | 46,800             | 4.9%             | 1,106,612              | 2.8%             |
| Services and Other                                       | 275,683           | 10.8%            | 7,289,089              | 10.7%            | 479,048            | 50.1%            | 15,112,166             | 38.7%            |
| Public Administration                                    | 1,908             | 0.1%             | 101,573                | 0.1%             | 1,922              | 0.2%             | 378,243                | 1.0%             |
| Total Number of Outlets and Total Taxable Gross Revenues | <u>2,542,704</u>  | <u>100.0%</u>    | <u>\$ 67,768,943</u>   | <u>99.7%</u>     | <u>958,240</u>     | <u>100.1%</u>    | <u>\$ 39,024,958</u>   | <u>99.9%</u>     |
| State Gross Receipts Tax Rate                            | 5.1%              |                  |                        |                  | 5.1%               |                  |                        |                  |

Source: 2015 New Mexico Department of Taxation and Revenue, Monthly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

Source: 2023 New Mexico Department of Taxation and Revenue, Quarterly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.



**STATE OF NEW MEXICO**  
**REVENUE PAYERS – PERSONAL INCOME TAX**  
**MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**  
**(DOLLARS, EXCEPT FOR INCOME LEVEL, IN THOUSANDS)**

| Income Level          | 2012              |                  |                     |                  | 2022*             |                  |                     |                  |
|-----------------------|-------------------|------------------|---------------------|------------------|-------------------|------------------|---------------------|------------------|
|                       | Number of Returns | Percent of Total | Personal Income Tax | Percent of Total | Number of Returns | Percent of Total | Personal Income Tax | Percent of Total |
| \$200,000 and Higher  | 19,740            | 2.2%             | \$ 1,867,483        | 40.9%            | 12,497            | 7.8%             | \$ 6,740,698        | 40.9%            |
| \$100,000 - \$199,999 | 77,390            | 8.5%             | 1,162,986           | 25.4%            | 25,887            | 16.0%            | 3,567,047           | 21.7%            |
| \$75,000 - \$99,999   | 67,740            | 7.5%             | 515,691             | 11.3%            | 15,181            | 9.4%             | 1,315,619           | 8.0%             |
| \$50,000 - \$74,999   | 112,210           | 12.4%            | 536,639             | 11.7%            | 23,805            | 14.8%            | 1,466,486           | 8.9%             |
| \$49,999 and Lower    | 628,280           | 69.4%            | 488,835             | 10.7%            | 83,965            | 52.0%            | 3,375,052           | 20.5%            |
| Total                 | 905,360           | 100.0%           | \$ 4,571,634        | 100.0%           | 161,335           | 100.0%           | \$ 16,464,902       | 100%             |

\* At the time of the preparation of the 2023 New Mexico State Annual Financial Report, the 2023 and 2022 tax year was unavailable.

Source: United States Department of the Treasury, Internal Revenue Service.

**STATE OF NEW MEXICO  
PERSONAL INCOME TAX RATES  
LAST TEN FISCAL YEARS**

| Year | Top<br>Tax<br>Rate | Top Income Tax Rate is Applied to<br>Taxable Income in Excess of |                              |                      | Average<br>Effective<br>Rate,<br>As Restated |
|------|--------------------|------------------------------------------------------------------|------------------------------|----------------------|----------------------------------------------|
|      |                    | Single                                                           | Married<br>Filing<br>Jointly | Head of<br>Household |                                              |
| 2024 | 4.9%               | \$ 16,000                                                        | \$ 24,000                    | \$ 24,000            | N/A                                          |
| 2023 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2022 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2021 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2020 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2019 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2018 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2017 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2016 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |
| 2015 | 4.9%               | 16,000                                                           | 24,000                       | 24,000               | N/A                                          |

Source: New Mexico Department of Taxation and Revenue

**STATE OF NEW MEXICO**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

|                                         | Fiscal Year         |                     |                     |                     |                     |
|-----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                         | 2024                | 2023                | 2022                | 2021                | 2020<br>as Restated |
| Governmental Activities:                |                     |                     |                     |                     |                     |
| General Obligation                      | \$ 447,170          | \$ 541,270          | \$ 414,365          | \$ 505,295          | \$ 421,700          |
| Severance Tax Bonds                     | 1,091,095           | 1,268,165           | 1,110,570           | 964,035             | 680,245             |
| Revenue Bonds                           | 737,705             | 892,555             | 1,053,950           | 958,018             | 1,094,670           |
| Bond Premium, Discount, Net *           | 243,886             | 196,781             | 318,871             | 292,066             | 223,793             |
| Lease Liabilities**                     | 536,710             | 529,058             | 436,734             | -                   | -                   |
| Total Governmental Activities           | 3,056,566           | 3,427,829           | 3,334,490           | 2,719,414           | 2,420,407           |
| Business-Type Activities*:              |                     |                     |                     |                     |                     |
| General Obligation                      | 18,275              | 720                 | 1,260               | 2,130               | -                   |
| Revenue Bonds                           | 605,283             | 706,907             | 736,312             | 788,814             | 823,419             |
| Bond Premium, Discount, Net*            | 23,944              | -                   | 23,788              | 28,564              | 39,278              |
| Lease Liabilities**                     | 55,587              | -                   | 54,106              | 173                 | 546                 |
| Total Primary Government                | 684,814             | 706,907             | 814,207             | 817,551             | 863,243             |
| Total Debt                              | <u>\$ 3,741,380</u> | <u>\$ 4,134,736</u> | <u>\$ 4,148,697</u> | <u>\$ 3,536,965</u> | <u>\$ 3,283,651</u> |
| New Mexico Personal Income              | \$ 123,207,200      | \$ 103,237,501      | \$ 103,237,501      | \$ 102,375,900      | \$ 101,386,400      |
| Debt as a Percentage of Personal Income | 3.0%                | 4.0%                | 4.0%                | 3.5%                | 3.2%                |
| New Mexico Population                   | 2,130               | 2,113               | 2,113               | 2,116               | 2,101               |
| General Obligation Debt Per Capita      | \$ 210              | \$ 256              | \$ 196              | \$ 239              | \$ 201              |
| Total Long-Term Debt Per Capita         | \$ 1,757            | \$ 1,956            | \$ 1,963            | \$ 1,672            | \$ 1,563            |

Note: Total Printing Gov. is incorrect  
This Line S/B Total BTA

**STATE OF NEW MEXICO  
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                         | Fiscal Year         |                     |                     |                     |                     |
|-----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                         | 2019                | 2018                | 2017                | 2016                | 2015                |
|                                         | as Restated         | as Restated         | as Restated         | as Restated         | as Restated         |
| Governmental Activities:                |                     |                     |                     |                     |                     |
| General Obligation                      | \$ 350,925          | \$ 260,760          | \$ 260,760          | \$ 389,270          | \$ 311,270          |
| Severance Tax Bonds                     | 814,370             | 876,115             | 876,115             | 641,415             | 760,080             |
| Revenue Bonds                           | 1,221,323           | 1,367,542           | 1,367,542           | 1,558,689           | 1,520,839           |
| Bond Premium, Discount, Net *           | 257,989             | 237,638             | 237,638             | 257,935             | -                   |
| Lease Liabilities**                     | -                   | -                   | -                   | -                   | -                   |
| Total Governmental Activities           | <u>2,644,607</u>    | <u>2,742,055</u>    | <u>2,742,055</u>    | <u>2,847,309</u>    | <u>2,592,189</u>    |
| Business-Type Activities*:              |                     |                     |                     |                     |                     |
| General Obligation                      | -                   | -                   | -                   | -                   | -                   |
| Revenue Bonds                           | 865,272             | 869,404             | 869,404             | 763,824             | 808,463             |
| Bond Premium, Discount, Net*            | 41,791              | 46,147              | 43,961              | 42,649              | 31,519              |
| Lease Liabilities**                     | 938                 | 1,054               | 1,054               | 1,502               | 1,919               |
| Total Primary Government                | <u>908,001</u>      | <u>916,605</u>      | <u>914,419</u>      | <u>807,975</u>      | <u>841,901</u>      |
| Total Debt                              | <u>\$ 3,552,608</u> | <u>\$ 3,658,660</u> | <u>\$ 3,656,474</u> | <u>\$ 3,655,284</u> | <u>\$ 3,434,090</u> |
| <br>New Mexico Personal Income          | <br>\$ 86,328,400   | <br>\$ 81,483,543   | <br>\$ 81,483,543   | <br>\$ 79,104,093   | <br>\$ 76,449,091   |
| Debt as a Percentage of Personal Income | 4.1%                | 4.5%                | 4.5%                | 4.6%                | 4.5%                |
| New Mexico Population                   | 2,095               | 2,088               | 2,088               | 2,080               | 2,083               |
| General Obligation Debt Per Capita      | \$ 167              | \$ 125              | \$ 125              | \$ 187              | \$ 149              |
| Total Long-Term Debt Per Capita         | \$ 1,675            | \$ 1,752            | \$ 1,751            | \$ 1,757            | \$ 1,649            |

**STATE OF NEW MEXICO  
LONG TERM LIABILITIES  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                           | Fiscal Year          |                      |                      |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                           | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| <b>Governmental Activities:</b>                           |                      |                      |                      |                      |                      |
| General Obligation Bonds                                  | \$ 447,170           | \$ 541,270           | \$ 414,365           | \$ 505,295           | \$ 421,700           |
| Severance Tax Bonds                                       | 1,091,095            | 1,268,165            | 1,110,570            | 964,035              | 680,245              |
| Revenue Bonds                                             | 737,705              | 908,875              | 1,053,950            | 958,018              | 1,094,669            |
| Bond Premium, Discount, Net *                             | 243,886              | 309,549              | 318,871              | 292,066              | 223,794              |
| Notes Payable                                             | -                    | -                    | -                    | -                    | -                    |
| Deferred Loss on Refunding, Net *                         | -                    | -                    | -                    | -                    | -                    |
| Claims and Judgments                                      | 478,005              | 235,940              | 206,032              | 167,336              | 152,392              |
| Hedging Derivatives - Interest Rate Swaps                 | -                    | -                    | -                    | -                    | -                    |
| Native American Water Settlement Liability **             | 23,753               | 46,757               | 51,291               | 70,543               | 91,543               |
| Contingent Liabilities                                    | 29,792               | -                    | 20,900               | -                    | 22                   |
| Compensated Absences                                      | 110,423              | 101,383              | 97,508               | 94,674               | 83,605               |
| Pollution Remediation Obligation                          | 58,336               | 53,733               | 41,608               | 41,067               | 41,666               |
| Net Pension Liability                                     | 4,177,698            | 3,960,251            | 3,043,770            | 3,953,370            | 3,429,456            |
| Net OPEB Liability                                        | 399,639              | 543,772              | 782,224              | 994,857              | 774,289              |
| Reserve for Losses                                        | -                    | -                    | -                    | -                    | -                    |
| Lease Liabilities                                         | 536,710              | 529,020              | 436,734              | -                    | -                    |
| Other Liabilities                                         | 51,948               | 17,090               | 550,945              | 648,370              | 578,826              |
| <b>Total Governmental Activities</b>                      | <b>8,386,161</b>     | <b>8,515,806</b>     | <b>8,128,768</b>     | <b>8,689,631</b>     | <b>7,572,207</b>     |
| <b>Business-Type Activities:</b>                          |                      |                      |                      |                      |                      |
| Revenue Bonds                                             | 623,558              | 672,469              | 736,314              | 788,814              | 823,419              |
| Bond Premium, Discount, Net *                             | 23,944               | 27,257               | 23,785               | 28,568               | 39,279               |
| Compensated Absences                                      | 116,897              | 112,446              | 107,556              | 113,414              | 99,083               |
| Reserve for Losses                                        | 131,615              | 110,900              | 104,813              | 107,531              | 101,940              |
| Notes Payable                                             | 9,550                | 11,993               | 8,235                | 9,325                | 13,506               |
| Insurance Claims Payable                                  | 12,193               | 8,151                | 11,651               | 5,662                | 9,953                |
| Net OPEB Obligation                                       | 366,503              | 370,945              | 397,667              | 424,370              | 385,030              |
| Derivative Instruments - Interest Rate Swaps              | 563                  | 1,059                | 2,129                | 6,001                | 8,375                |
| Student Loans                                             | 7,691                | 8,421                | 9,433                | 11,371               | 12,069               |
| Environmental Cleanup                                     | 5,434                | 5,434                | 5,434                | 5,434                | 5,434                |
| Net Pension Liability                                     | 2,313,867            | 2,301,724            | 1,982,851            | 5,511,724            | 2,188,285            |
| Lease Liabilities                                         | 55,587               | 66,109               | 54,106               | 173                  | 546                  |
| Other Liabilities                                         | 409,306              | 322,564              | 207,474              | 198,810              | 174,049              |
| <b>Total Business-Type Activities</b>                     | <b>4,076,706</b>     | <b>4,019,470</b>     | <b>3,651,448</b>     | <b>7,211,197</b>     | <b>3,860,969</b>     |
| <b>Total Primary Government<br/>Long-Term Liabilities</b> | <b>\$ 12,462,867</b> | <b>\$ 12,535,276</b> | <b>\$ 11,780,216</b> | <b>\$ 15,900,828</b> | <b>\$ 11,433,175</b> |

## Notes to Schedule:

Details regarding the liabilities listed above can be found in Note 8, Changes in Long-term Liabilities, in the financial statements.

\*In prior years, bond premium, discount, and loss on refunding was not stated separately.

**STATE OF NEW MEXICO  
LONG TERM LIABILITIES (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                           | Fiscal Year          |                     |                     |                     |                     |
|-----------------------------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
|                                                           | 2019                 | 2018<br>As Restated | 2017                | 2016                | 2015<br>As Restated |
| <b>Governmental Activities:</b>                           |                      |                     |                     |                     |                     |
| General Obligation Bonds                                  | \$ 350,925           | \$ 260,760          | \$ 326,755          | \$ 429,764          | \$ 311,270          |
| Severance Tax Bonds                                       | 814,370              | 876,115             | 955,045             | 641,415             | 760,080             |
| Revenue Bonds                                             | 1,221,323            | 1,367,542           | 1,281,950           | 1,423,069           | 1,520,839           |
| Bond Premium, Discount, Net *                             | 257,988              | 200,994             | 279,305             | 217,441             | 252,771             |
| Notes Payable                                             | 1,250                | -                   | 14,000              | 5,755               | 1,581               |
| Deferred Loss on Refunding, Net *                         | -                    | -                   | -                   | 100,167             | 96,042              |
| Claims and Judgments                                      | 166,593              | 180,149             | 195,471             | 100,461             | 259,855             |
| Hedging Derivatives - Interest Rate Swaps                 | -                    | 84,090              | 119,015             | 100,167             | 96,042              |
| Native American Water Settlement Liability **             | 69,706               | 60,850              | 62,100              | 287,910             | -                   |
| Contingent Liabilities                                    | 29,516               | 3,678               | 20,051              | -                   | -                   |
| Compensated Absences                                      | 68,795               | 63,982              | 64,051              | 58,112              | 62,339              |
| Pollution Remediation Obligation                          | 27,457               | 42,651              | 44,278              | 287,910             | 47,129              |
| Net Pension Liability                                     | 3,341,570            | 3,264,743           | 2,299,659           | 1,843,467           | -                   |
| Net OPEB Liability                                        | 1,035,068            | -                   | -                   | -                   | -                   |
| Reserve for Losses                                        | -                    | -                   | -                   | -                   | 100,000             |
| Lease Liabilities                                         | -                    | 51,690              | 53,045              | 53,199              | -                   |
| Other Liabilities                                         | 451,647              | -                   | -                   | 52,307              | 212,200             |
| <b>Total Governmental Activities</b>                      | <b>7,836,208</b>     | <b>6,457,243</b>    | <b>5,714,725</b>    | <b>5,601,144</b>    | <b>3,720,148</b>    |
| <b>Business-Type Activities:</b>                          |                      |                     |                     |                     |                     |
| Revenue Bonds                                             | 865,272              | 899,736             | 653,372             | 695,552             | 808,463             |
| Bond Premium, Discount, Net *                             | 41,791               | 43,960              | 42,649              | 31,519              | 15,429              |
| Compensated Absences                                      | 87,588               | 86,356              | 84,906              | 20,853              | 80,180              |
| Reserve for Losses                                        | 98,169               | 89,501              | 87,453              | -                   | 69,988              |
| Notes Payable                                             | 11,285               | 12,985              | 14,051              | -                   | -                   |
| Insurance Claims Payable                                  | -                    | -                   | -                   | -                   | -                   |
| Net OPEB Obligation                                       | 432,298              | 67,969              | 61,333              | -                   | -                   |
| Derivative Instruments - Interest Rate Swaps              | 7,186                | 8,604               | 13,350              | -                   | -                   |
| Student Loans                                             | 15,060               | 15,726              | 18,592              | -                   | -                   |
| Environmental Cleanup                                     | 5,434                | 5,434               | 5,434               | -                   | -                   |
| Net Pension Liability                                     | 3,485,718            | 2,125,341           | 1,913,152           | -                   | -                   |
| Lease Liabilities                                         | 938                  | 1,054               | 1,308               | 1,023               | 1,919               |
| Other Liabilities                                         | 56,714               | 11,076              | -                   | 56,579              | 184,094             |
| <b>Total Business-Type Activities</b>                     | <b>5,107,453</b>     | <b>3,367,742</b>    | <b>2,895,600</b>    | <b>805,526</b>      | <b>1,160,073</b>    |
| <b>Total Primary Government<br/>Long-Term Liabilities</b> | <b>\$ 12,943,661</b> | <b>\$ 9,824,984</b> | <b>\$ 8,610,325</b> | <b>\$ 6,406,670</b> | <b>\$ 4,880,221</b> |

**STATE OF NEW MEXICO  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                     | Fiscal Year    |               |               |               |               |
|-----------------------------------------------------|----------------|---------------|---------------|---------------|---------------|
|                                                     | 2024           | 2023          | 2022          | 2021          | 2020          |
| Net Taxable Value of Property Subject to Taxation   | \$ 108,183,361 | \$ 88,517,562 | \$ 88,883,819 | \$ 70,313,555 | \$ 70,648,048 |
| Statutory Debt Limit                                | 1.0%           | 1.0%          | 1.0%          | 1.0%          | 1.0%          |
| Debt Limit Amount                                   | 1,081,834      | 885,176       | 888,838       | 703,136       | 706,480       |
| General Obligation Bonds                            | 309,913        | 541,220       | 414,365       | 505,295       | 260,760       |
| Total General Debt Outstanding                      | 309,913        | 541,220       | 414,365       | 505,295       | 260,760       |
| Legal Debt Margin                                   | \$ 771,921     | \$ 343,956    | \$ 474,473    | \$ 197,841    | \$ 445,720    |
| Legal Debt Margin as a Percentage of the Debt Limit | 71.4%          | 38.9%         | 53.4%         | 28.1%         | 63.1%         |

**Note to Schedule:**

The Constitution of the State of New Mexico, Article IX, Section 8, limits the State's outstanding general debt to a maximum of one percent of the net taxable value of all property subject to taxation within the State. The legal debt margin is the remaining borrowing authority available and is calculated by subtracting the bonded debt outstanding from the legal debt limit as calculated per Constitutional requirements.

Source: Note information regarding general bonded debt outstanding can be located within the State of New Mexico's annual financial report per fiscal year. Property value data was provided by the Department of Finance and Administration, Local Government Division, Financial and Property Tax Data by County and Municipality. Per capita information is based upon population data located in the Demographics and Economic Statistics schedule.

**STATE OF NEW MEXICO  
LEGAL DEBT MARGIN (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                     | Fiscal Year       |                   |                     |                   |                   |
|-----------------------------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
|                                                     | 2019              | 2018              | 2017<br>As Restated | 2016              | 2015              |
| Net Taxable Value of Property Subject to Taxation   | \$ 66,919,238     | \$ 60,698,949     | \$ 57,451,756       | \$ 56,625,171     | \$ 58,412,965     |
| Statutory Debt Limit                                | 1.0%              | 1.0%              | 1.0%                | 1.0%              | 1.0%              |
| Debt Limit Amount                                   | 669,192           | 606,989           | 574,518             | 566,252           | 584,130           |
| General Obligation Bonds                            | 326,755           | 389,270           | 311,270             | 372,700           | 296,890           |
| Total General Debt Outstanding                      | 326,755           | 389,270           | 311,270             | 372,700           | 296,890           |
| Legal Debt Margin                                   | <u>\$ 342,437</u> | <u>\$ 217,719</u> | <u>\$ 263,248</u>   | <u>\$ 193,552</u> | <u>\$ 287,240</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 51.2%             | 35.9%             | 45.8%               | 34.2%             | 49.2%             |



**STATE OF NEW MEXICO  
STATUTORY DEBT LIMIT  
SEVERANCE TAX BONDS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                     | Fiscal Year  |              |              |            |            |
|-----------------------------------------------------|--------------|--------------|--------------|------------|------------|
|                                                     | 2024         | 2023         | 2022         | 2021       | 2020       |
| Annual Deposits into Severance Tax Bonding Fund     | \$ 2,236,814 | \$ 2,410,670 | \$ 2,153,990 | \$ 870,761 | \$ 646,300 |
| 50.0% of Annual Deposits                            | 1,118,407    | 1,205,335    | 1,076,995    | 435,381    | 323,150    |
| Statutory Debt Limit Amount                         | 1,118,407    | 1,205,335    | 1,076,995    | 435,381    | 323,150    |
| Senior Bond Servicing Amount *                      | 226,530      | 226,530      | 208,274      | 428,500    | 146,965    |
| Statutory Debt Margin Amount                        | \$ 891,877   | \$ 978,805   | \$ 868,721   | \$ 6,881   | \$ 176,185 |
| Statutory Debt Margin as a Percentage of Debt Limit | 79.7%        | 81.2%        | 80.7%        | 1.6%       | 54.5%      |

## Notes to Schedule:

The State Board of Finance is prohibited by the Severance Tax Bonding Act from issuing Senior Severance Tax Bonds unless the aggregate amount of total Senior Severance Tax Bonds outstanding, including the bonds to be issued, can be serviced with not more than 50 percent of the annual deposits into the Bonding Fund, as determined by the deposits during the fiscal year preceding the issuance of the bonds.

\* Does not include payment on refunded bonds, which are paid from escrowed securities, payments on short-term debt issued by the State Treasurer and paid in the same year issued, or payments on Supplemental Bond Series.

Sources: New Mexico Office of the State Treasurer audited financial statements.  
New Mexico Board of Finance, Severance Tax Bonds, Bond Series 2012A Official Statement.

**STATE OF NEW MEXICO  
STATUTORY DEBT LIMIT  
SEVERANCE TAX BONDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

|                                                        | Fiscal Year       |                   |                  |                   |                  |
|--------------------------------------------------------|-------------------|-------------------|------------------|-------------------|------------------|
|                                                        | 2019              | 2018              | 2017             | 2016              | 2015             |
| Annual Deposits into Severance Tax<br>Bonding Fund     | \$ 672,441        | \$ 511,115        | \$ 342,317       | \$ 254,966        | \$ 426,331       |
| 50.0% of Annual Deposits                               | 336,221           | 255,558           | 171,159          | 127,483           | 213,166          |
| Statutory Debt Limit Amount                            | 336,221           | 255,558           | 171,159          | 127,483           | 213,166          |
| Senior Bond Servicing Amount *                         | 129,737           | 142,160           | 144,766          | 16,489            | 129,042          |
| Statutory Debt Margin Amount                           | <u>\$ 206,484</u> | <u>\$ 113,398</u> | <u>\$ 26,393</u> | <u>\$ 110,994</u> | <u>\$ 84,124</u> |
| Statutory Debt Margin as a Percentage of<br>Debt Limit | 61.4%             | 44.4%             | 15.4%            | 87.1%             | 39.5%            |

**STATE OF NEW MEXICO  
PLEDGED REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year                                                     | Pledged<br>Revenues<br>Received | Annual Debt Service |           | Coverage |
|-----------------------------------------------------------------|---------------------------------|---------------------|-----------|----------|
|                                                                 |                                 | Principal           | Interest  |          |
| Severance Tax Bonds (Including Supplemental Subordinate Liens): |                                 |                     |           |          |
| 2024                                                            | \$ 2,410,670                    | \$ 135,715          | \$ 44,914 | 13.3     |
| 2023                                                            | 2,410,670                       | 135,715             | 44,914    | 13.3     |
| 2022                                                            | 2,153,990                       | 158,544             | 44,179    | 10.6     |
| 2021                                                            | 870,761                         | 128,115             | 28,612    | 5.6      |
| 2020                                                            | 646,300                         | 134,125             | 34,255    | 3.8      |
| 2019                                                            | 672,441                         | 129,300             | 37,224    | 4.0      |
| 2018                                                            | 511,115                         | 124,745             | 36,780    | 3.2      |
| 2017                                                            | 342,317                         | 124,745             | 39,485    | 2.1      |
| 2016                                                            | 254,966                         | 118,345             | 15,257    | 1.9      |
| 2015                                                            | 426,331                         | -                   | 18,301    | 23.3     |
| 2014                                                            | 414,956                         | 224,525             | 55,539    | 1.5      |
| Highway Infrastructure Bonds:                                   |                                 |                     |           |          |
| 2024                                                            | \$ 171,236                      | \$ -                | \$ 2,778  | 61.6     |
| 2023                                                            | 996,818                         | 133,329             | 41,195    | 5.7      |
| 2022                                                            | 1,066,719                       | 162,596             | 37,307    | 5.3      |
| 2021                                                            | 944,216                         | 10,740              | 42,845    | 17.6     |
| 2020                                                            | 923,500                         | 107,110             | 48,116    | 5.9      |
| 2019                                                            | 837,915                         | 103,290             | 51,541    | 5.4      |
| 2018                                                            | 914,621                         | 96,925              | 52,907    | 6.1      |
| 2017                                                            | 848,903                         | 93,655              | 63,798    | 5.4      |
| 2016                                                            | 791,378                         | 68,640              | 64,753    | 5.9      |
| 2015                                                            | 385,211                         | 84,080              | 68,080    | 2.5      |
| 2014                                                            | 385,116                         | 106,610             | 71,053    | 2.2      |
| Energy and Minerals Bonds:                                      |                                 |                     |           |          |
| 2024                                                            | \$ -                            | \$ -                | \$ -      | 0.0      |
| 2023                                                            | 597                             | 128                 | 3         | 4.6      |
| 2022                                                            | 7,648                           | 539                 | 42        | 13.2     |
| 2021                                                            | 6,237                           | 476                 | 62        | 11.6     |
| 2020                                                            | 6,200                           | 457                 | 80        | 11.5     |
| 2019                                                            | 1,077                           | 439                 | 96        | 2.0      |
| 2018                                                            | 10,136                          | 422                 | 120       | 18.7     |
| 2017                                                            | 9,462                           | 2,819               | 198       | 3.1      |
| 2016                                                            | 8,970                           | 2,008               | 347       | 3.8      |
| 2015                                                            | 8,763                           | 1,967               | 439       | 3.6      |
| 2014                                                            | 13,652                          | 2,863               | 645       | 3.9      |

N/A Data not available.

Sources: NM Department of Transportation audited financial statements  
 NM Office of the State Treasurer audited financial statements  
 NM State Fair Commission (Expo) audited financial statements  
 NM Energy, Minerals and Natural Resources audited financial statements  
 NM Miner's Colfax Medical Center audited financial statements  
 NM Spaceport Authority audited financial statements  
 NM Department of Cultural Affairs audited financial statements  
 UNM - Health Science is included in Educational in 2020.

UNM audited financial statements  
 NMSU audited financial statements  
 ENMU audited financial statements  
 WNMU audited financial statements  
 NMMI audited financial statements  
 NMHU audited financial statements  
 NMTU audited financial statements

**STATE OF NEW MEXICO  
PLEDGED REVENUE BOND COVERAGE (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year                          |    | Pledged<br>Revenues<br>Received | Annual Debt Service |          | Coverage |
|--------------------------------------|----|---------------------------------|---------------------|----------|----------|
|                                      |    |                                 | Principal           | Interest |          |
| Cultural Affairs Bonds and Loan:     |    |                                 |                     |          |          |
| 2024                                 | \$ | 509                             | \$                  | 0        | 0.0      |
| 2023                                 |    | 895                             |                     | 13       | 1.5      |
| 2022                                 |    | 865                             |                     | 26       | 1.5      |
| 2021                                 |    | 862                             |                     | 38       | 1.5      |
| 2020                                 |    | 868                             |                     | 50       | 1.4      |
| 2019                                 |    | 916                             |                     | 60       | 1.5      |
| 2018                                 |    | 892                             |                     | 65       | 1.4      |
| 2017                                 |    | 1,010                           |                     | 70       | 1.3      |
| 2016                                 |    | 821                             |                     | 128      | 1.8      |
| 2015                                 |    | 835                             |                     | 139      | 1.8      |
| 2014                                 |    | 455                             |                     | 224      | 0.7      |
| Miners' Colfax Medical Center Bonds: |    |                                 |                     |          |          |
| 2024                                 | \$ | 4,740                           | \$                  | 174      | 3.5      |
| 2023                                 |    | 7,577                           |                     | 149      | 6.0      |
| 2022                                 |    | 2,533                           |                     | 176      | 0.6      |
| 2021                                 |    | 7,616                           |                     | 203      | 6.0      |
| 2020                                 |    | 1,500                           |                     | 229      | 1.2      |
| 2019                                 |    | 2,954                           |                     | 252      | 2.3      |
| 2018                                 |    | 6,722                           |                     | 282      | 5.3      |
| 2017                                 |    | 6,317                           |                     | 315      | 5.0      |
| 2016                                 |    | 6,651                           |                     | 337      | 5.2      |
| 2015                                 |    | 5,759                           |                     | 277      | 4.9      |
| 2014                                 |    | 5,752                           |                     | 423      | 4.6      |
| State Fair (EXPO) Bonds:             |    |                                 |                     |          |          |
| 2024                                 | \$ | -                               | \$                  | -        | 0.0      |
| 2023                                 |    | -                               |                     | -        | 0.0      |
| 2022                                 |    | -                               |                     | -        | 0.0      |
| 2021                                 |    | -                               |                     | -        | 0.0      |
| 2020                                 |    | -                               |                     | -        | 0.0      |
| 2019                                 |    | -                               |                     | -        | 0.0      |
| 2018                                 |    | -                               |                     | -        | 0.0      |
| 2017                                 |    | 448                             |                     | 12       | 0.6      |
| 2016                                 |    | 1,070                           |                     | 36       | 1.5      |
| 2015                                 |    | 1,070                           |                     | 70       | 1.5      |
| Spaceport Authority Bonds:           |    |                                 |                     |          |          |
| 2024                                 | \$ | 11,389                          | \$                  | 200      | 2.5      |
| 2023                                 |    | 10,777                          |                     | 222      | 2.3      |
| 2022                                 |    | 10,826                          |                     | 225      | 2.4      |
| 2021                                 |    | 13,595                          |                     | 2,083    | 2.4      |
| 2020                                 |    | 5,000                           |                     | 2,224    | 0.9      |
| 2019                                 |    | 4,216                           |                     | 2,367    | 0.7      |
| 2018                                 |    | 7,053                           |                     | 2,502    | 1.2      |
| Debt not issued in prior years.      |    |                                 |                     |          |          |

**STATE OF NEW MEXICO  
PLEDGED REVENUE BOND COVERAGE (CONTINUED)  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

| Fiscal Year                               | Pledged<br>Revenues<br>Received | Annual Debt Service |          | Coverage |
|-------------------------------------------|---------------------------------|---------------------|----------|----------|
|                                           |                                 | Principal           | Interest |          |
| Bernalillo County Metropolitan Court:     |                                 |                     |          |          |
| 2024                                      | \$ 5,382                        | \$ 3,570            | \$ 366   | 1.4      |
| 2023                                      | 3,381                           | 3,795               | 536      | 0.8      |
| 2022                                      | 2,533                           | 3,933               | 698      | 0.5      |
| 2021                                      | 1,970                           | 3,070               | 851      | 0.5      |
| 2020                                      | 3,922                           | 2,925               | 997      | 1.0      |
| Reported on NMFA in Prior Years           |                                 |                     |          |          |
| Educational Institutions:                 |                                 |                     |          |          |
| 2024                                      | \$ -                            | \$ -                | \$ -     | 0.0      |
| 2023                                      | 640,000                         | 52,688              | 22,490   | 8.5      |
| 2022                                      | 632,049                         | 48,123              | 26,320   | 8.5      |
| 2021                                      | 632,049                         | 48,802              | 33,247   | 7.7      |
| 2020                                      | 2,907,000                       | 44,793              | 36,528   | 35.7     |
| Reported on NMFA in Prior Years           |                                 |                     |          |          |
| University of New Mexico Health Sciences: |                                 |                     |          |          |
| 2024                                      | \$ -                            | \$ -                | \$ -     |          |
| 2023                                      | -                               | -                   | -        | 0.0      |
| 2022                                      | -                               | 2,920               | -        | 0.0      |
| 2021                                      | -                               | 2,919               | 735      | 0.0      |
| 2020                                      | -                               | -                   | -        | 0.0      |
| Reported on UNM in Prior Years            |                                 |                     |          |          |
| General Services Department:              |                                 |                     |          |          |
| 2024                                      | \$ 12,140                       | \$ 6,319            | \$ 5,694 | 1.0      |
| 2023                                      | 11,726                          | 5,639               | 6,084    | 1.0      |
| 2022                                      | 464,109                         | 11,394              | 6,338    | 26.2     |
| 2021                                      | 6,809                           | 4,549               | 6,560    | 0.6      |
| 2018                                      | 16,100                          | 5,019               | 7,139    | 1.3      |

**STATE OF NEW MEXICO  
DEMOGRAPHIC AND ECONOMIC INDICATORS  
LAST TEN FISCAL YEARS**

| Year | Population | Personal Income    | Per Capita<br>Personal<br>Income | Median<br>Age | * Percent High<br>School Grad<br>or Higher<br>(Pop=25 Yrs & >) | Public<br>School<br>Enrollment |
|------|------------|--------------------|----------------------------------|---------------|----------------------------------------------------------------|--------------------------------|
| 2024 | 2,130,256  | \$ 123,207,200,000 | \$ 55,343                        | 39.4          | 86.8                                                           | 309,093                        |
| 2023 | 2,114,371  | 116,432,000,000    | 55,067                           | 38.3          | 87.1                                                           | 316,660                        |
| 2022 | 2,113,344  | 103,237,501,000    | 48,850                           | 38.1          | 86.8                                                           | 322,989                        |
| 2021 | 2,115,877  | 102,375,900,000    | 48,385                           | 37.8          | 85.6                                                           | 318,621                        |
| 2020 | 2,100,566  | 101,386,400,000    | 48,266                           | 38.1          | 86.0                                                           | 333,020                        |
| 2019 | 2,095,428  | 86,328,400,000     | 41,198                           | 37.3          | 85.0                                                           | 335,829                        |
| 2018 | 2,095,428  | 86,328,400,000     | 41,198                           | 37.3          | 85.0                                                           | 335,829                        |
| 2017 | 2,088,070  | 83,127,300,000     | 39,811                           | 37.2          | 84.6                                                           | 338,370                        |
| 2016 | 2,081,015  | 80,758,305,000     | 38,807                           | 37.4          | 84.2                                                           | 339,613                        |
| 2015 | 2,080,328  | 79,104,093,000     | 38,025                           | 37.2          | 84.2                                                           | 340,365                        |

## Notes to Schedule:

Personal Income, Per capita Personal Income and median Age data are as of 2023 data. 23 population data represents estimates based on the 2023 census. 2017 is Restated

Statistics were revised to indicate the percentage of individuals that have attained educational levels instead of the average educational level as was done in prior years.

\* Education level and years of schooling has been replaced with Percent High School Graduate or Higher

Sources: Population, Per Capita Personal Income - New Mexico Bureau of Business and Economic Research, University of New Mexico School Enrollment - New Mexico Department of Finance and Administration, Office of Education and Accountability  
Personal Income - Department of Commerce Bureau of Economic Analysis, Education - Census.gov B15002 American Fact Finder, PEPASR6H GeographyNMYR2012Population Estimates, bea.gov. [www.ped.state.nm.us](http://www.ped.state.nm.us)

**STATE OF NEW MEXICO  
PRINCIPAL EMPLOYERS  
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**

| Entity Name                                            | Calendar Year 2024* |      |                          | Calendar Year 2018** |      |                          |
|--------------------------------------------------------|---------------------|------|--------------------------|----------------------|------|--------------------------|
|                                                        | Number of Employees | Rank | Percent of All Employees | Number of Employees  | Rank | Percent of All Employees |
| State of New Mexico (Total Offices, Departments, etc.) | 31,100              | 1    | 3.4%                     | 18,359               | 2    | 2.1%                     |
| Federal Government                                     | 28,900              | 2    | 3.2%                     | 21,766               | 1    | 2.5%                     |
| Sandia National Laboratories                           | 15,100              | 3    | 1.7%                     | 12,206               | 4    | 1.4%                     |
| Walmart Corporate                                      | 14,725              | 4    | 1.6%                     | 14,725               | 3    | 1.7%                     |
| Los Alamos National Laboratories                       | 14,150              | 5    | 1.6%                     | 14,150               | 8    | 1.6%                     |
| UNM University                                         | 11,875              | 6    | 1.3%                     | 11,875               | 6    | 1.4%                     |
| Presbyterian Healthcare                                | 11,575              | 7    | 1.3%                     | 11,178               | 5    | 1.3%                     |
| Albuquerque Public Schools                             | 10,150              | 8    | 1.1%                     | 10,297               | 7    | 1.2%                     |
| City of Albuquerque                                    | 5,800               | 9    | 0.6%                     | 5,800                | 9    | 0.7%                     |
| McDonalds                                              | 4,675               | 10   | 0.5%                     | N/A                  | NA   | N/A                      |
| Total Employees of Principal Employers                 | 148,050             |      | 16.4%                    | 120,356              |      | 13.8%                    |

## Notes to Schedule:

Number of employees is based on a calendar year average.

Rankings are based on the employers identified, there may be larger employers not identified from sources available.

Some data sources only included locations that had in excess of 100 employees.

\* Used 2022, data for 2023 was not available.

\*\* Used 2017, data for 2014-2016 was not available.

Source: NM Partnership - New Mexico Largest Employers

**STATE OF NEW MEXICO  
COMPOSITION OF LABOR FORCE  
LAST TEN CALENDAR YEARS**

|                                     | Calendar Year |         |         |         |         |
|-------------------------------------|---------------|---------|---------|---------|---------|
|                                     | 2024          | 2023    | 2022    | 2021    | 2020    |
| Nonagricultural Jobs:               |               |         |         |         |         |
| Government                          | 190,800       | 190,800 | 184,800 | 173,800 | 186,300 |
| Mining                              | 23,700        | 24,100  | 21,000  | 18,800  | 18,600  |
| Construction                        | 54,600        | 53,200  | 52,600  | 51,100  | 49,500  |
| Manufacturing                       | 30,200        | 30,700  | 29,400  | 29,600  | 26,300  |
| Trade, Transportation and Utilities | 145,800       | 146,500 | 139,900 | 139,000 | 135,400 |
| Information                         | 8,800         | 10,400  | 9,800   | 8,200   | 9,900   |
| Financial Activity                  | 35,500        | 33,500  | 32,500  | 33,800  | 32,300  |
| Professional and Business Services  | 122,600       | 113,600 | 116,400 | 113,100 | 107,800 |
| Education and Health Services       | 145,400       | 149,500 | 146,900 | 137,100 | 135,600 |
| Leisure and Hospitality             | 106,200       | 99,100  | 99,300  | 94,600  | 67,600  |
| Other Services                      | 30,200        | 28,200  | 27,600  | 28,400  | 25,900  |
| Total Nonagricultural Jobs          | 893,800       | 879,600 | 860,200 | 827,500 | 795,200 |
| Civilian Labor Force                | 974,627       | 969,463 | 938,167 | 969,048 | 960,100 |
| Total Employed                      | 935,535       | 930,977 | 901,310 | 913,408 | 877,700 |
| Unemployed                          | 39,092        | 38,486  | 36,857  | 55,640  | 82,400  |
| Unemployment Rate                   | 4.0%          | 4.0%    | 3.9%    | 4.8%    | 8.6%    |
| Seasonally Adjusted Rate            | 4.0%          | 4.0%    | 3.7%    | 5.8%    | 8.6%    |

Source: New Mexico Department of Workforce Solutions, U.S. Department of Labor Statistics 2023 Data unavailable



**STATE OF NEW MEXICO  
COMPOSITION OF LABOR FORCE (CONTINUED)  
LAST TEN CALENDAR YEARS**

|                                     | Calendar Year |         |         |                     |                     |
|-------------------------------------|---------------|---------|---------|---------------------|---------------------|
|                                     | 2019          | 2018    | 2017    | 2016<br>as Restated | 2015<br>as Restated |
| Nonagricultural Jobs:               |               |         |         |                     |                     |
| Government                          | 190,300       | 183,600 | 186,500 | 188,900             | 189,300             |
| Mining                              | 26,300        | 20,300  | 20,800  | 19,800              | 25,600              |
| Construction                        | 52,200        | 46,900  | 45,700  | 43,400              | 43,500              |
| Manufacturing                       | 27,700        | 26,900  | 26,400  | 26,900              | 27,800              |
| Trade, Transportation and Utilities | 140,900       | 136,300 | 136,600 | 138,700             | 139,600             |
| Information                         | 11,300        | 11,100  | 12,300  | 13,000              | 12,700              |
| Financial Activity                  | 36,000        | 34,700  | 34,000  | 33,500              | 33,300              |
| Professional and Business Services  | 109,900       | 103,200 | 104,300 | 101,300             | 99,700              |
| Education and Health Services       | 144,000       | 140,200 | 139,000 | 138,200             | 133,300             |
| Leisure and Hospitality             | 99,800        | 94,700  | 96,400  | 95,500              | 93,100              |
| Other Services                      | 27,900        | 27,600  | 28,600  | 28,500              | 28,500              |
| Total Nonagricultural Jobs          | 866,300       | 825,500 | 830,600 | 827,700             | 826,400             |
| Civilian Labor Force                | 966,624       | 949,047 | 929,567 | 928,732             | 927,999             |
| Total Employed                      | 920,787       | 904,196 | 872,382 | 866,704             | 867,387             |
| Unemployed                          | 45,837        | 44,851  | 57,185  | 62,028              | 60,612              |
| Unemployment Rate                   | 4.7%          | 4.8%    | 6.2%    | 6.7%                | 6.5%                |
| Seasonally Adjusted Rate            | 4.7%          | 4.7%    | 6.4%    | 6.7%                | 6.6%                |

**STATE OF NEW MEXICO  
PUBLIC HIGHER EDUCATION ENROLLMENT  
LAST TEN ACADEMIC YEARS**

|                                                   | Academic Year |         |         |         |         |
|---------------------------------------------------|---------------|---------|---------|---------|---------|
|                                                   | 2023-24*      | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Eastern New Mexico University                     | -             | 4,849   | 4,490   | 4,958   | 5,519   |
| New Mexico Highlands University                   | -             | 2,842   | 2,804   | 2,161   | 2,169   |
| New Mexico Institute of Mining and Technology     | -             | 2,000   | 1,734   | 1,482   | 1,517   |
| New Mexico State University                       | -             | 26,514  | 27,854  | 17,518  | 18,458  |
| Northern New Mexico College                       | -             | 1,904   | 1,453   | 761     | 768     |
| University of New Mexico                          | -             | 33,410  | 34,368  | 21,273  | 22,568  |
| Western New Mexico University                     | -             | 3,910   | 3,074   | 1,872   | 1,974   |
| Total All Four-Year Institutions                  | -             | 75,429  | 75,777  | 50,025  | 52,973  |
| Central New Mexico Community College <sup>1</sup> | -             | 27,684  | 18,563  | 10,600  | 11,612  |
| Clovis Community College                          | -             | 3,245   | 3,408   | 1,291   | 1,461   |
| Luna Community College                            | -             | 1,121   | 1,128   | 420     | 526     |
| Mesalands Community College                       | -             | 1,286   | 1,198   | 280     | 346     |
| New Mexico Junior College                         | -             | 2,385   | 2,500   | 1,352   | 1,591   |
| New Mexico Military Institute                     | -             | 543     | 570     | 471     | 459     |
| Northern New Mexico College                       | -             | N/A     | N/A     | N/A     | N/A     |
| San Juan College                                  | -             | 8,098   | 7,866   | 3,216   | 3,914   |
| Santa Fe Community College                        | -             | 4,831   | 4,027   | 1,716   | 2,175   |
| Total All Two-Year Institutions                   | -             | 49,193  | 39,260  | 19,346  | 22,084  |
| Total All Institutions                            | -             | 124,622 | 115,037 | 69,371  | 75,057  |

<sup>1</sup> Albuquerque Technical Vocational Institute's name changed to Central New Mexico Community College

Source: Information can be found at <http://hed.state.nm.us/data-reports/data-reports-1/annual-projects> Annual Report

As of 2022 the numbers reported are by total head counts not FTE . Branches must be included in totals.

\*2023 - 24 information not available

**STATE OF NEW MEXICO  
PUBLIC HIGHER EDUCATION ENROLLMENT (CONTINUED)  
LAST TEN ACADEMIC YEARS**

|                                               | Academic Year |         |         |         |         |
|-----------------------------------------------|---------------|---------|---------|---------|---------|
|                                               | 2018-19       | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
| Eastern New Mexico University                 | 4,791         | 5,573   | 5,891   | 5,936   | 6,327   |
| New Mexico Highlands University               | 2,350         | 2,348   | 2,438   | 2,653   | 2,626   |
| New Mexico Institute of Mining and Technology | 1,614         | 1,612   | 1,666   | 1,817   | 1,805   |
| New Mexico State University                   | 18,592        | 18,398  | 19,324  | 19,876  | 20,630  |
| Northern New Mexico College                   | 804           | 799     | 786     | 707     | 870     |
| University of New Mexico                      | 22,812        | 23,430  | 25,483  | 28,489  | 28,277  |
| Western New Mexico University                 | 1,990         | 2,072   | 2,045   | 2,169   | 2,222   |
| Total All Four-Year Institutions              | 52,953        | 54,232  | 57,633  | 61,647  | 62,757  |
| Central New Mexico Community College          | 12,000        | 12,156  | 12,716  | 13,684  | 14,653  |
| Clovis Community College                      | 1,509         | 1,477   | 1,495   | 1,500   | 1,548   |
| Luna Community College                        | 513           | 505     | 614     | 709     | 757     |
| Mesalands Community College                   | 413           | 388     | 404     | 469     | 428     |
| New Mexico Junior College                     | 1,464         | 1,696   | 1,593   | 1,651   | 1,698   |
| New Mexico Military Institute                 | 487           | 487     | 492     | 511     | 550     |
| Northern New Mexico College                   | N/A           | N/A     | N/A     | N/A     | N/A     |
| San Juan College                              | 3,873         | 3,672   | 3,538   | 4,409   | 4,619   |
| Santa Fe Community College                    | 2,229         | 2,252   | 2,391   | 2,648   | 2,899   |
| Total All Two-Year Institutions               | 22,488        | 22,633  | 23,243  | 25,581  | 27,152  |
| Total All Institutions                        | 75,441        | 76,865  | 80,876  | 87,228  | 89,909  |

**STATE OF NEW MEXICO  
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

|                                            | Fiscal Year     |                 |                 |                 |                 |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                            | 2024            | 2023            | 2022            | 2021            | 2020            |
| General Government:                        |                 |                 |                 |                 |                 |
| Government Operations                      | 1,470.8         | 1,467.8         | 1,416.0         | 1,353.1         | 1,380.0         |
| Taxation and Revenue                       | 1,041.5         | 1,058.0         | 1,063.0         | 1,054.2         | 1,072.8         |
| Human Services and Youth Corrections       | 3,418.5         | 3,284.0         | 3,289.0         | 4,109.8         | 4,089.8         |
| Adult Corrections                          | 2,521.0         | 2,451.0         | 2,498.0         | 2,492.0         | 2,621.0         |
| Public Safety                              | 2,684.6         | 1,681.2         | 1,561.0         | 1,539.4         | 1,607.3         |
| State Courts                               | 4,399.4         | 4,195.8         | 4,009.0         | 3,574.4         | 3,542.6         |
| Health and Environment:                    |                 |                 |                 |                 |                 |
| Department of Health                       | 3,823.0         | 3,909.0         | 4,003.0         | 3,992.0         | 3,769.5         |
| Department of Environment                  | 698.7           | 661.7           | 689.0           | 653.0           | 634.5           |
| Miners Colfax Community Hospital           | 258.0           | 288.0           | 293.0           | 290.5           | 258.0           |
| Employment and Family Services             | 2,225.5         | 2,235.6         | 2,166.0         | 2,222.8         | 1,405.8         |
| Natural Resources                          | 1,171.2         | 1,570.0         | 1,492.0         | 1,404.9         | 1,361.5         |
| Cultural Affairs                           | 1,070.6         | 568.0           | 502.0           | 485.8           | 509.3           |
| Business, Labor and Agriculture            | 980.0           | 920.0           | 879.0           | 842.0           | 878.4           |
| Education                                  | 360.0           | 358.7           | 411.0           | 394.5           | 387.2           |
| Transportation                             | 2,664.0         | 2,660.0         | 2,676.0         | 2,615.5         | 2,506.5         |
| Total Full-Time Equivalent State Employees | <u>28,786.8</u> | <u>27,308.8</u> | <u>26,947.0</u> | <u>27,023.9</u> | <u>26,024.2</u> |
| Change                                     | 5.1%            | 1.3%            | -0.3%           | 3.7%            | 2.1%            |

Source: Report of the Legislative Finance Committee to the 56th Legislature Second Session, January 2024, Vol. 2, Pg. 1-504

**STATE OF NEW MEXICO  
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|                                            | Fiscal Year         |                 |                 |                 |                 |
|--------------------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|
|                                            | 2019<br>As Restated | 2018            | 2017            | 2016            | 2015            |
| General Government:                        |                     |                 |                 |                 |                 |
| Government Operations                      | 1,336.5             | 1,334.0         | 1,355.0         | 1,190.0         | 1,203.5         |
| Taxation and Revenue                       | 1,066.8             | 1,078.0         | 1,088.0         | 1,096.0         | 1,109.0         |
| Human Services and Youth Corrections       | 4,105.8             | 3,909.0         | 4,320.0         | 4,540.0         | 4,384.1         |
| Adult Corrections                          | 2,453.0             | 2,443.0         | 2,409.0         | 2,447.0         | 2,453.0         |
| Public Safety                              | 1,547.3             | 1,535.0         | 1,545.0         | 1,499.7         | 1,452.7         |
| State Courts                               | 3,473.4             | 3,389.0         | 3,375.0         | 3,587.4         | 3,471.0         |
| Health and Environment:                    |                     |                 |                 |                 |                 |
| Department of Health                       | 3,551.5             | 3,536.0         | 3,792.0         | 3,780.0         | 3,791.0         |
| Department of Environment                  | 635.5               | 638.0           | 637.0           | 660.5           | 660.5           |
| Miners Colfax Community Hospital           | 260.0               | 258.0           | 224.0           | 224.0           | 224.0           |
| Employment and Family Services             | 1,418.3             | 1,643.0         | 1,435.0         | 623.5           | 618.5           |
| Natural Resources                          | 1,375.5             | 1,366.0         | 1,389.0         | 1,005.8         | 967.8           |
| Cultural Affairs                           | 487.9               | 494.0           | 509.0           | 508.8           | 507.8           |
| Business, Labor and Agriculture            | 864.4               | 860.0           | 900.0           | 1,809.5         | 1,813.6         |
| Education                                  | 384.2               | 378.0           | 397.0           | 348.3           | 350.3           |
| Transportation                             | 2,506.5             | 2,503.0         | 2,488.0         | 2,487.5         | 2,489.5         |
| Total Full-Time Equivalent State Employees | <u>25,466.6</u>     | <u>25,364.0</u> | <u>25,863.0</u> | <u>25,808.0</u> | <u>25,496.3</u> |
| Change                                     | 0.4%                | -2.0%           | 0.2%            | 1.2%            | 100.0%          |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

|                                                                                                                                           | Fiscal Year      |                  |                  |                  |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                                                                                           | 2024             | 2023             | 2022             | 2021             | 2020             |
| <b>General Government:</b>                                                                                                                |                  |                  |                  |                  |                  |
| Operations:                                                                                                                               |                  |                  |                  |                  |                  |
| Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <sup>8 11 24 39 43 50</sup>             | 50 <sup>th</sup> | 50 <sup>th</sup> | 50 <sup>th</sup> | 50 <sup>th</sup> | 40 <sup>th</sup> |
| Taxation:                                                                                                                                 |                  |                  |                  |                  |                  |
| % of Electronically Filed Personal Income Tax Returns <sup>9 14 15 19 23 37 44, 47</sup>                                                  | 90%              | 90%              | 90%              | 82%              | 90%              |
| % of Motor Vehicle Registrations Issued (with Liability Insurance) <sup>14 15 19 23 37 44 47</sup>                                        | 92%              | 91%              | 91%              | 92%              | 91%              |
| Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <sup>8 10 14 15 19 23 37 44 47</sup>                  | \$10.0           | \$13.9           | \$12.0           | \$11.0           | \$10.4           |
| Regulation:                                                                                                                               |                  |                  |                  |                  |                  |
| # of Vehicular Port Traffic at New Mexico Ports <sup>10 14 15 18 26 38 45 48</sup>                                                        | 2,100,000        | 1,206,104        | 1,988,283        | 766,671          | 937,119          |
| Number of registered nurse licenses active on June 30 <sup>10 15 18 25 40 46 49</sup>                                                     | 32,864           | 32,864           | 31,132           | 14,500           | 18,918           |
| Tri-Annual Physician Licenses Issued <sup>10 14 15 18 27 38 45 48</sup>                                                                   | 4,600            | 5,911            | 5,269            | 3,000            | 4,303            |
| Biennial Physician Assistant Licenses Issued <sup>10 15 18 27 38 45 48</sup>                                                              | 550              | 598              | 621              | 225              | 629              |
| Public Safety:                                                                                                                            |                  |                  |                  |                  |                  |
| Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <sup>10 14 15 19 28 41 45 48</sup>                               | 10,822           | 9,000            | 10,822           | 37,919           | NA               |
| # of Traffic Fatalities <sup>9 14 15 18 23 37 44 47</sup>                                                                                 | 400              | 444              | 464              | 395              | 418              |
| # of Driving While Intoxicated Fatalities <sup>9 14 15 18 23 37 44 47</sup>                                                               | 140              | 119              | 133              | 169              | 142              |
| # of Driving While Intoxicated Arrests <sup>9 14 15 18 23 37 44 47</sup>                                                                  | 3,000            | 2,588            | 2,809            | 2,479            | 1,647            |
| Education:                                                                                                                                |                  |                  |                  |                  |                  |
| Public:                                                                                                                                   |                  |                  |                  |                  |                  |
| # of High School Graduates (4 year) <sup>1 29 42</sup>                                                                                    | 20,520           | 19,483           | 32,058           | 26,096           | 25,995           |
| Student Dropout Rate for Grades 9 - 12 <sup>2 30 42 52</sup>                                                                              | 8.5%             | 6.8%             | 4.4%             | 4.4%             | NA               |
| Public School Capital Outlay Allocation (\$ Millions) <sup>4</sup>                                                                        | 15.7             | 15.7             | 15.7             | 136              | N/A              |
| Higher:                                                                                                                                   |                  |                  |                  |                  |                  |
| Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <sup>8 10 14 15 38 45 48</sup>                           | 48%              | 49%              | 48%              | 40%              | 56%              |
| % of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <sup>8 10 14 15 21</sup>  | 77%              | 72%              | 73%              | 73%              | N/A              |
| Health and Human Services:                                                                                                                |                  |                  |                  |                  |                  |
| % of Children Receiving Services in Medicaid Managed Care <sup>10 14 15 23 38 44 47</sup>                                                 | 72%              | 69%              | 70%              | 70%              | 73%              |
| % of Child Support Collected of Support Owed <sup>9 14 15 18 23 38 45 48</sup>                                                            | 60%              | 58%              | 58%              | 57%              | 59%              |
| # of Homeless Veterans Provided Shelter <sup>8 10 14 15 21 31</sup>                                                                       | 182              | 71               | 173              | 173              | N/A              |
| % of Children Adopted within 24 Months of Entry into Foster Care <sup>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</sup> | 42%              | 31%              | 38%              | 35%              | 36%              |
| % of Abused Children with Repeat Maltreatment <sup>9 14 15 23 38 45 48</sup>                                                              | 9%               | 13%              | 14%              | 8%               | 14%              |
| % of Preschoolers Fully Immunized <sup>9 14 15 18 45 48</sup>                                                                             | 66%              | 69%              | 66%              | 76%              | 63%              |
| # of Operating School-Based Health Centers <sup>13 14 15 32</sup>                                                                         | 95               | 78               | 91               | 82               | 79               |
| Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <sup>18 21 26 45 48</sup>                                | 5                | 3                | 5                | 4                | 4                |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|                                                                                                                                           | Fiscal Year         |                     |                     |                     |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                                                                           | 2019<br>as Restated | 2018<br>as Restated | 2017<br>as Restated | 2016<br>as Restated | 2015<br>as Restated |
| <b>General Government:</b>                                                                                                                |                     |                     |                     |                     |                     |
| <b>Operations:</b>                                                                                                                        |                     |                     |                     |                     |                     |
| Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <sup>8 11 24 39 43 50</sup>             | 39 <sup>th</sup>    | 39 <sup>th</sup>    | 39 <sup>th</sup>    | 30 <sup>th</sup>    | 36 <sup>th</sup>    |
| <b>Taxation:</b>                                                                                                                          |                     |                     |                     |                     |                     |
| % of Electronically Filed Personal Income Tax Returns <sup>9 14 15 19 23 37 44, 47</sup>                                                  | 88%                 | 87%                 | 86%                 | 85%                 | 92%                 |
| % of Motor Vehicle Registrations Issued (with Liability Insurance) <sup>14 15 19 23 37 44 47</sup>                                        | 90%                 | 90%                 | 90%                 | 92%                 | 91%                 |
| Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <sup>8 10 14 15 19 23 37 44 47</sup>                  | \$12.9              | \$14.6              | \$11.5              | \$11.6              | \$10.4              |
| <b>Regulation:</b>                                                                                                                        |                     |                     |                     |                     |                     |
| # of Vehicular Port Traffic at New Mexico Ports <sup>10 14 15 18 26 38 45 48</sup>                                                        | 1,548,500           | 1,597,023           | 1,571,366           | 1,589,396           | 1,463,046           |
| Number of registered nurse licenses active on June 30 <sup>10 15 18 25 40 46 49</sup>                                                     | 24,711              | 19,340              | 16,872              | 16,251              | 14,854              |
| Tri-Annual Physician Licenses Issued <sup>10 14 15 18 27 38 45 48</sup>                                                                   | 4,086               | 4,059               | 4,116               | 3,744               | 3,841               |
| Biennial Physician Assistant Licenses Issued <sup>10 15 18 27 38 45 48</sup>                                                              | 556                 | 487                 | 455                 | 451                 | 476                 |
| <b>Public Safety:</b>                                                                                                                     |                     |                     |                     |                     |                     |
| Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <sup>10 14 15 19 28 41 45 48</sup>                               | NA                  | 19,500              | 16,590              | 10,408              | 14,775              |
| # of Traffic Fatalities <sup>9 14 15 18 23 37 44 47</sup>                                                                                 | 417                 | 369                 | 383                 | 366                 | 347                 |
| # of Driving While Intoxicated Fatalities <sup>9 14 15 18 23 37 44 47</sup>                                                               | 157                 | 143                 | 163                 | 149                 | 155                 |
| # of Driving While Intoxicated Arrests <sup>9 14 15 18 23 37 44 47</sup>                                                                  | 2,171               | 2,574               | N/A                 | N/A                 | N/A                 |
| <b>Education:</b>                                                                                                                         |                     |                     |                     |                     |                     |
| <b>Public:</b>                                                                                                                            |                     |                     |                     |                     |                     |
| # of High School Graduates (4 year) <sup>1 29 42</sup>                                                                                    | 26,092              | 26,288              | 26,587              | 25,926              | 25,863              |
| Student Dropout Rate for Grades 9 - 12 <sup>2 30 42 52</sup>                                                                              | NA                  | NA                  | 3.8%                | 4.4%                | 4.4%                |
| Public School Capital Outlay Allocation (\$ Millions) <sup>4</sup>                                                                        | N/A                 | N/A                 | N/A                 | 546                 | 895                 |
| <b>Higher:</b>                                                                                                                            |                     |                     |                     |                     |                     |
| Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <sup>8 10 14 15 38 45 48</sup>                           | 54%                 | 50%                 | 49%                 | 48%                 | 48%                 |
| % of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <sup>8 10 14 15 21</sup>  | N/A                 | N/A                 | N/A                 | 75%                 | 72%                 |
| <b>Health and Human Services:</b>                                                                                                         |                     |                     |                     |                     |                     |
| % of Children Receiving Services in Medicaid Managed Care <sup>10 14 15 23 38 44 47</sup>                                                 | 75%                 | 72%                 | 85%                 | 85%                 | 86%                 |
| % of Child Support Collected of Support Owed <sup>9 14 15 18 23 38 45 48</sup>                                                            | 58%                 | 57%                 | 56%                 | 56%                 | 56%                 |
| # of Homeless Veterans Provided Shelter <sup>8 10 14 15 21 31</sup>                                                                       | N/A                 | N/A                 | 503                 | 491                 | 360                 |
| % of Children Adopted within 24 Months of Entry into Foster Care <sup>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</sup> | 27%                 | 28%                 | 25%                 | 23%                 | 32%                 |
| % of Abused Children with Repeat Maltreatment <sup>9 14 15 23 38 45 48</sup>                                                              | 17%                 | 15%                 | 15%                 | 12%                 | 11%                 |
| % of Preschoolers Fully Immunized <sup>9 14 15 18 45 48</sup>                                                                             | 64%                 | 61%                 | 72%                 | NA                  | 76%                 |
| # of Operating School-Based Health Centers <sup>13 14 15 32</sup>                                                                         | 73                  | 73                  | 70                  | 72                  | 80                  |
| Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <sup>18 21 26 45 48</sup>                                | 5                   | 5                   | 5                   | 3                   | 3                   |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|                                                                                                                                                                                                                                                           | Fiscal Year |         |         |         |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|
|                                                                                                                                                                                                                                                           | 2024        | 2023    | 2022    | 2021    | 2020    |
| Corrections:                                                                                                                                                                                                                                              |             |         |         |         |         |
| Juvenile:                                                                                                                                                                                                                                                 |             |         |         |         |         |
| % Juveniles Earning Education Credits While Incarcerated <sup>8</sup>                                                                                                                                                                                     | 60%         | 56%     | 56%     | 55%     | NA      |
| % of Juveniles Who Complete Formal Probation <sup>23 37 38 44 47</sup>                                                                                                                                                                                    | 85%         | 93%     | 85%     | 90%     | 94%     |
| % of Juveniles Recommitted to a Youth Detention Facility <sup>9 14 15 17 23 37 45 47</sup>                                                                                                                                                                | 20%         | 13%     | 20%     | 12%     | 20%     |
| Adult:                                                                                                                                                                                                                                                    |             |         |         |         |         |
| Turnover Rate of Correctional Officers <sup>9 14 15 18 23 38 45 48</sup>                                                                                                                                                                                  | 28%         | 32%     | 28%     | 11%     | 2%      |
| Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) <sup>9 14 15 23 37 45 48</sup>                                                                                                                                         | 36%         | 30%     | 35%     | 37%     | 46%     |
| % of Prisoners Reincarcerated within 36 Months After Release <sup>10 14 15 17 23 37 44 45 48</sup>                                                                                                                                                        | 35%         | 36%     | 37%     | 40%     | 54%     |
| Culture and Recreation:                                                                                                                                                                                                                                   |             |         |         |         |         |
| # of Visits to Visitor Information Centers (Millions) <sup>8</sup>                                                                                                                                                                                        | 1.4         | 1.3     | 1.2     | 1.3     | N/A     |
| # of Unique Website Visitor Sessions (Millions) <sup>8 23 45 48</sup>                                                                                                                                                                                     | 2.7         | 2       | 2       | 2       | 2.4     |
| Circulation Rate for New Mexico Magazine <sup>8 9 14 15 18 33 38 44 47</sup>                                                                                                                                                                              | 80,000      | 100,000 | 80,000  | 94,221  | 70,000  |
| Attendance to Museum Exhibitions, Performances, Films, Programs <sup>8 10 14 15 34 38 45 48</sup>                                                                                                                                                         | 767,000     | 725,472 | 726,301 | 830,000 | 827,895 |
| % of Public Hunting Licenses Drawn by New Mexico Resident Hunters <sup>8 10 14 15 18 36 38 45 48</sup>                                                                                                                                                    | 84%         | 84%     | 84%     | 80%     | 88%     |
| Fish Output from Hatchery System (in Pounds) <sup>5 7 8 10 14 15 35 38 45 48</sup>                                                                                                                                                                        | 660,000     | 640,000 | 672,642 | 592,247 | 666,738 |
| # of Visitors to State Parks (Millions) <sup>8 9 14 15 23 44 47</sup>                                                                                                                                                                                     | 4.7         | 5       | 5       | 4       | 4       |
| Natural Resources, Environment:                                                                                                                                                                                                                           |             |         |         |         |         |
| # of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>                                                                                                                                                            | 31,000      | 29,522  | 31,154  | 35,147  | 36,852  |
| % of Required Mine Inspection Conducted <sup>8 14 15 23 37 45 48</sup>                                                                                                                                                                                    | 98%         | 99%     | 100%    | 100%    | 88%     |
| % of Abandoned Uranium Mines with Current Site Assessments <sup>8</sup>                                                                                                                                                                                   | 50%         | 50%     | 50%     | 50%     | N/A     |
| % of Landfills Meeting Groundwater Monitoring Requirements <sup>14 15 23 37 44 47</sup>                                                                                                                                                                   | 95%         | 97%     | 95%     | 95%     | 97%     |
| # of Wildlife Habitat Acres Conserved or Enhanced <sup>8 20 35</sup>                                                                                                                                                                                      | 100,000     | 192,000 | 100,000 | 100,000 | 192,000 |
| # of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 <sup>8 10 14 15 38 45 48</sup>                                                                                                       | 48%         | 53%     | 45%     | 35%     | 51%     |
| Business, Labor, and Agriculture:                                                                                                                                                                                                                         |             |         |         |         |         |
| % of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup> | 61%         | 61%     | 61%     | 72%     | 69%     |
| # of Rural Jobs Created <sup>9 14 15 23 37 45 48</sup>                                                                                                                                                                                                    | 1,500       | 996     | 1,766   | 1,542   | 460     |
| # of Media Industry Worker Days <sup>9 14 15 18 37 45 48</sup>                                                                                                                                                                                            | 450,000     | 553,630 | 143,000 | 143,046 | 102,376 |
| Changed to "Direct Spending by Industry productions (\$ Millions) <sup>14 23 37 45 48</sup>                                                                                                                                                               | \$580       | \$794   | \$5,855 | \$674   | \$257   |
| Highways and Transportation:                                                                                                                                                                                                                              |             |         |         |         |         |
| # of System wide Miles in Deficient Condition <sup>9 14 15 23 37 45 48</sup>                                                                                                                                                                              | 4,000       | 2,824   | 1,451   | 3,837   | 4,420   |
| # of Traffic Fatalities per 100 Million Vehicle Miles Traveled <sup>5 7 8 12 51</sup>                                                                                                                                                                     | 1.46        | 1.77    | 1.75    | 1.43    | 1.53    |
| # of Statewide Improved Pavement Surface Miles <sup>5 6 9 14 15 23 37 45 48</sup>                                                                                                                                                                         | 4,172       | 3,390   | 4,373   | 2,750   | 3,970   |



**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|                                                                                                                                                                                                                                                           | Fiscal Year         |                     |                     |                     |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                                                                                                                                                                                           | 2019<br>as Restated | 2018<br>as Restated | 2017<br>as Restated | 2016<br>as Restated | 2015<br>as Restated |
| Corrections:                                                                                                                                                                                                                                              |                     |                     |                     |                     |                     |
| Juvenile:                                                                                                                                                                                                                                                 |                     |                     |                     |                     |                     |
| % Juveniles Earning Education Credits While Incarcerated <sup>8</sup>                                                                                                                                                                                     | NA                  | NA                  | NA                  | NA                  | NA                  |
| % of Juveniles Who Complete Formal Probation <sup>23 37 38 44 47</sup>                                                                                                                                                                                    | 86%                 | 86%                 | 83%                 | 85%                 | 83%                 |
| % of Juveniles Recommitted to a Youth Detention Facility <sup>9 14 15 17 23 37 45 47</sup>                                                                                                                                                                | 20%                 | 20%                 | 7%                  | 10%                 | 8%                  |
| Adult:                                                                                                                                                                                                                                                    |                     |                     |                     |                     |                     |
| Turnover Rate of Correctional Officers <sup>9 14 15 18 23 38 45 48</sup>                                                                                                                                                                                  | 25%                 | 28%                 | 2%                  | 10%                 | 13%                 |
| Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) <sup>9 14 15 23 37 45 48</sup>                                                                                                                                         | 46%                 | 51%                 | 50%                 | 46%                 | 47%                 |
| % of Prisoners Reincarcerated within 36 Months After Release <sup>10 14 15 17 23 37 44 45 48</sup>                                                                                                                                                        | 54%                 | 49%                 | 50%                 | 46%                 | 23%                 |
| Culture and Recreation:                                                                                                                                                                                                                                   |                     |                     |                     |                     |                     |
| # of Visits to Visitor Information Centers (Millions) <sup>8</sup>                                                                                                                                                                                        | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| # of Unique Website Visitor Sessions (Millions) <sup>8 23 45 48</sup>                                                                                                                                                                                     | 2.4                 | 0.4                 | 0.4                 | 0.6                 | 0.8                 |
| Circulation Rate for New Mexico Magazine <sup>8 9 14 15 18 33 38 44 47</sup>                                                                                                                                                                              | 70,000              | 70,000              | 70,000              | 75,000              | 92,148              |
| Attendance to Museum Exhibitions, Performances, Films, Programs <sup>8 10 14 15 34 38 45 48</sup>                                                                                                                                                         | 826,969             | 855,789             | 779,810             | 745,101             | 823,450             |
| % of Public Hunting Licenses Drawn by New Mexico Resident Hunters <sup>8 10 14 15 18 36 38 45 48</sup>                                                                                                                                                    | 84%                 | 84%                 | 84%                 | 84%                 | 84%                 |
| Fish Output from Hatchery System (in Pounds) <sup>5 7 8 10 14 15 35 38 45 48</sup>                                                                                                                                                                        | 670,851             | 646,175             | 681,103             | 638,594             | 637,200             |
| # of Visitors to State Parks (Millions) <sup>8 9 14 15 23 44 47</sup>                                                                                                                                                                                     | 5                   | 5                   | 5                   | 5                   | 4                   |
| Natural Resources, Environment:                                                                                                                                                                                                                           |                     |                     |                     |                     |                     |
| # of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>                                                                                                                                                            | 31,043              | 42,880              | 37,648              | 49,624              | 47,539              |
| % of Required Mine Inspection Conducted <sup>8 14 15 23 37 45 48</sup>                                                                                                                                                                                    | 88%                 | 95%                 | 97%                 | 97%                 | 97%                 |
| % of Abandoned Uranium Mines with Current Site Assessments <sup>8</sup>                                                                                                                                                                                   | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| % of Landfills Meeting Groundwater Monitoring Requirements <sup>14 15 23 37 44 47</sup>                                                                                                                                                                   | 99%                 | 96%                 | 97%                 | 100%                | 95%                 |
| # of Wildlife Habitat Acres Conserved or Enhanced <sup>8 20 35</sup>                                                                                                                                                                                      | 192,000             | 192,000             | 192,000             | NA                  | NA                  |
| # of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 <sup>8 10 14 15 38 45 48</sup>                                                                                                       | 48%                 | 41%                 | 52%                 | N/A                 | 35                  |
| Business, Labor, and Agriculture:                                                                                                                                                                                                                         |                     |                     |                     |                     |                     |
| % of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup> | 79%                 | 79%                 | 78%                 | 80%                 | 80%                 |
| # of Rural Jobs Created <sup>9 14 15 23 37 45 48</sup>                                                                                                                                                                                                    | 1,376               | 2,414               | 775                 | 641                 | 726                 |
| # of Media Industry Worker Days <sup>9 14 15 18 37 45 48</sup>                                                                                                                                                                                            | 319,814             | 259,961             | 448,304             | 260,307             | 298,398             |
| Changed to "Direct Spending by Industry productions (\$ Millions) <sup>14 23 37 45 48</sup>                                                                                                                                                               | \$525               | \$234               | \$505               | \$387               | \$286               |
| Highways and Transportation:                                                                                                                                                                                                                              |                     |                     |                     |                     |                     |
| # of System wide Miles in Deficient Condition <sup>9 14 15 23 37 45 48</sup>                                                                                                                                                                              | 3,783               | 4,675               | 4,675               | 4,515               | 4,250               |
| # of Traffic Fatalities per 100 Million Vehicle Miles Traveled <sup>5 7 8 12 51</sup>                                                                                                                                                                     | 1.30                | 1.43                | 1.16                | 1.18                | 1.09                |
| # of Statewide Improved Pavement Surface Miles <sup>5 6 9 14 15 23 37 45 48</sup>                                                                                                                                                                         | 3,143               | 2,854               | 3,668               | 2,457               | 2,611               |

**STATE OF NEW MEXICO  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

- Sources: Various departments of the State of New Mexico
- <sup>1</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates
  - <sup>2</sup> New Mexico Dropout Report published by New Mexico Public Education Department
  - <sup>4</sup> New Mexico Public Schools Finance Authority
  - <sup>8</sup> Report of the Legislative Finance Committee to the Legislature Second Session, Vol. II  
102, 103, 104, 105, 106, 108, 112, 113, 114, 122, 123, 172, 178, 187, 188, 194, 262, 287, 291, 303, 322, 323, 336, 338
  - <sup>9</sup> Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. I, Pg. 89, 98, 99, 100, 101, 105, 108, 112, 115,  
116, 124, 125, 132, 133
  - <sup>10</sup> Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. II, Pg. 41, 59, 121, 150, 157, 159, 185, 230, 276,  
278, 283, 330, 332
  - <sup>11</sup> Pension fund rankings by state-Crain's Chicago Bs, <http://www.chicagobusiness.com/article/20130110/NEWS07/130109847/pension-fund-rankings-by-state-were-no-50>
  - <sup>12</sup> New Mexico Transportation By The Numbers:  
[http://www.tripnet.org/docs/NM\\_Transportation\\_By\\_The\\_Number](http://www.tripnet.org/docs/NM_Transportation_By_The_Number)
  - <sup>13</sup> New Mexico Alliance for School-Based Health Care (NMASBHC): <http://www.nmasbhc.org/index.html>
  - <sup>14</sup> Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2015, Vol. I, Pg. 88, 90, 98, 99, 100, 101, 105, 108, 112, 113,  
116, 117, 121, 122, 123, 129, 130; Vol II pg. 126, 134, 136, 149, 156, 158, 176, 184, 226, 285, 307, 324, 342, 344
  - <sup>15</sup> Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2016, Vol. II, Pg. 152, 327, 343, 356, 505
  - <sup>17</sup> Report of the Legislative Finance Committee to the 53rd Legislature First Session, January 2017, Vol. I, Pg. 91, 103, 116
  - <sup>18</sup> Report of the Legislative Finance Committee to the 53rd Legislature First Session, January 2017, Vol. II, Pg. 115, 143, 145, 215, 237, 243, 264, 277, 283, 293
  - <sup>19</sup> Report of the Legislative Finance Committee to the 50th Legislature First Session, January 2011, Vol. II, Pg. 157, 243
  - <sup>21</sup> Report of the Legislative Finance Committee to the 52nd Legislature First Session, January 2015, Vol. II, Pg. 261, 285, 343
  - <sup>22</sup> Mercatus Center - George Mason University, [www.mercatus.org/statefiscalrankings](http://www.mercatus.org/statefiscalrankings)
  - <sup>23</sup> Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. I, Pg. 36, 94-98, 100-101, 103-104, 114, 119-120,  
122-124, 131-132
  - <sup>24</sup> Pension Fund Programs Worsen in 43 States, by Laurie Meisler, [www.bloomberg.com/graphics/2017-state-pension-funding](http://www.bloomberg.com/graphics/2017-state-pension-funding)
  - <sup>25</sup> New Mexico Board of Nursing - Annual Governor's Report FY 2017, Pg 12
  - <sup>26</sup> Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. II, Pg. 121, 240
  - <sup>27</sup> New Mexico Medical Board - E-mailed
  - <sup>28</sup> New Mexico Public Regulation Commission - Annual Report FY 2017, Pg. 14, 16
  - <sup>29</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \$ Year Graduation Rate Cohort 2017
  - <sup>30</sup> New Mexico Public Education E-Mail - CFO
  - <sup>31</sup> New Mexico Veterans' Services Department Performance Measures Summary, Pg. 1
  - <sup>32</sup> New Mexico Alliance for School Based Health Care, [www.nmasbhc.org/SBHC\\_Locator](http://www.nmasbhc.org/SBHC_Locator)
  - <sup>33</sup> New Mexico Magazine - E-Mail Circulation Manager
  - <sup>34</sup> New Mexico Department of Cultural Affairs - E-mail CIO
  - <sup>35</sup> New Mexico Department of Game and Fish Annual Report, Pg. 6, 9
  - <sup>36</sup> New Mexico Department of Game & Fish - Website, [www.wildlife.state.nm.us/hunting/applications-and-draws-information](http://www.wildlife.state.nm.us/hunting/applications-and-draws-information)
  - <sup>37</sup> Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. I, Pg. 107, 109-110, 114, 127, 135-136, 145  
147, 155, 156
  - <sup>38</sup> Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. II, Pg. 118, 120, 136, 144, 146, 169, 177, 218,  
222, 245, 275, 276, 286, 336
  - <sup>39</sup> Pension Fund Outlook Brightens in 41 States, by Danielle Moran, [www.bloomberg.com/graphics/2018-state-pension-funding](http://www.bloomberg.com/graphics/2018-state-pension-funding)
  - <sup>40</sup> New Mexico Board of Nursing - Annual Report FY 2018, Pg 4
  - <sup>41</sup> New Mexico Public Regulation Commission - Annual Report FY 2018, Pg. 22+F45
  - <sup>42</sup> New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \$ Year Graduation Rate Cohort 2019
  - <sup>43</sup> Money - Is your money safe? These states are getting hit hardest by pension crisis, 10/15/2019.
  - <sup>44</sup> Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. I, Pg. 109-110, 121-122, 127, 134, 143,  
148-149, 156-158
  - <sup>45</sup> Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. II, Pg. 122-123, 125-126, 129-130, 132, 144,  
  
174, 182, 190, 238, 243, 261, 290-291, 302-303, 324-325.
  - <sup>46</sup> New Mexico Board of Nursing - Annual Report FY 2019, Pg 45-46
  - <sup>47</sup> Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. I, Pg. 116, 121, 128, 144, 150-151, 153,  
155-158, 166-167
  - <sup>48</sup> Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. II, Pg. 124, 126, 132, 133, 145, 151, 153, 172,  
181 188, 237, 242, 259, 266, 289, 300, 303, 326, 356
  - <sup>49</sup> New Mexico Board of Nursing - Annual Report FY 20120 Pg 29
  - <sup>50</sup> [https://ipfusa.org/wp-content/uploads/2019/08/Public-Pension-Performance\\_IPFI\\_August2019.pdf](https://ipfusa.org/wp-content/uploads/2019/08/Public-Pension-Performance_IPFI_August2019.pdf) pg. 10-12
  - <sup>51</sup> <https://www.iihs.org/topics/fatality-statistics/detail/state-by-state>
  - <sup>52</sup> <https://datacenter.kidscount.org/data/tables/7958-dropout-rates>

Note: The State of New Mexico passed the Accountability in Government Act, NMSA 6-3A, in 1999. Efforts have been made in identifying and determining performance measurements since that time. Agencies began tracking and calculating these performance measurements beginning in fiscal year 2004. These operating indicators will continue to be tracked in the future in order to reach a ten year historical comparison.

N/A <sup>1</sup> Measure deleted in FY09 or a latter Fiscal Year and replaced by different criteria.

NA Information not available

**STATE OF NEW MEXICO  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

|                                    | Fiscal Year |         |         |         |         |
|------------------------------------|-------------|---------|---------|---------|---------|
|                                    | 2024        | 2023    | 2022    | 2021    | 2020    |
| General Government:                |             |         |         |         |         |
| Buildings                          | 110         | 110     | 110     | 110     | 110     |
| Vehicles                           | 40          | 51      | 40      | N/A     | N/A     |
| Public Safety:                     |             |         |         |         |         |
| Buildings (not inc. POE'S)         | 29          | 29      | 29      | 29      | 29      |
| Vehicles                           | 920         | 823     | 920     | 846     | 846     |
| Ports of Entry                     | 8           | 13      | 8       | 8       | 8       |
| Health and Human Services:         |             |         |         |         |         |
| Buildings - General Administrative | 302         | 302     | 302     | 302     | 302     |
| Buildings - Program                |             |         |         |         |         |
| Juvenile Reintegration Center      | 4           | 2       | 4       | 4       | 4       |
| Medical Center/Hospital            | 55          | 55      | 55      | 55      | 55      |
| Rehabilitation Facility            | 5           | 6       | 5       | 5       | 5       |
| Veterans' Center                   | 16          | 6       | 16      | 16      | 16      |
| Vehicles                           | 620         | 483     | 620     | 511     | 511     |
| Corrections:                       |             |         |         |         |         |
| Buildings                          | 406         | 406     | 406     | 406     | 406     |
| Vehicles                           | 302         | 260     | 302     | 257     | 257     |
| Culture and Recreation:            |             |         |         |         |         |
| Vehicles                           | 60          | 60      | 60      | 60      | 60      |
| Museums                            | 14          | 15      | 14      | 14      | 14      |
| Monuments                          | 8           | 8       | 8       | 8       | 8       |
| Natural Resources, Environment:    |             |         |         |         |         |
| Vehicles                           | 261         | 194     | 261     | 196     | 196     |
| State Parks                        | 35          | 35      | 35      | 35      | 35      |
| Wildlife Management Areas (Acres)  | 192,000     | 192,000 | 192,000 | 192,000 | 192,000 |
| Fish Hatcheries                    | 6           | 6       | 6       | 6       | 6       |
| Education Vehicles:                |             |         |         |         |         |
| Vehicles                           | 5           | 5       | 5       | N/A     | N/A     |
| Highways and Transportation:       |             |         |         |         |         |
| Highway Lane Miles                 | 12,272      | 12,272  | 12,272  | 12,272  | 12,272  |
| Vehicles/Heavy Equipment           | 6,500       | 6,500   | 6,500   | 6,500   | 6,500   |

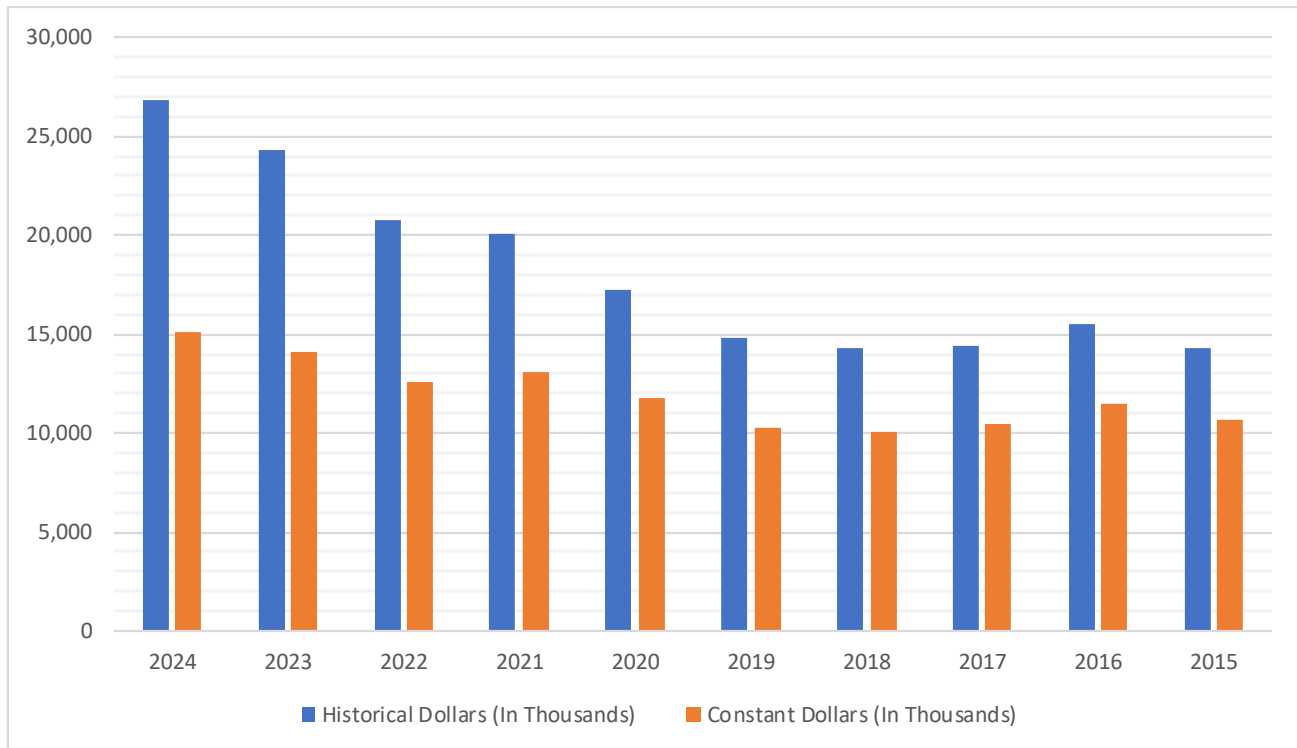
Sources: New Mexico General Services Department, Property Control Division and Public Information Office;  
New Mexico Game and Fish Department, Administrative Services  
New Mexico Energy and Minerals Department, Administrative Services Division;  
New Mexico Department of Transportation, ; dot.state.nm.us/content/nmdot/en/Operations.html  
Office of Employee Support and Development  
New Mexico Health and Human Services Department, Administrative Services Division;  
New Mexico Corrections Department, Administrative Services Division;  
New Mexico Children, Youth and Families Department, Administrative Services Division;  
New Mexico Department of Cultural Affairs, Administrative Services Division;  
New Mexico Department of Public Safety, Administrative Services Division;  
State of New Mexico Report of the Legislative Finance Committee to the Legislature Second Session, Vol. I

en.wikipedia.org/wiki/List\_of\_hospitals\_in\_New\_Mexico  
en.wikipedia.org/wiki/List\_of\_New\_Mexico\_state\_parks  
[www.newmexicoculture.org](http://www.newmexicoculture.org); [nmdvs.org/field-offices](http://nmdvs.org/field-offices)  
[www.sp.nm.gov/port-of-entry](http://www.sp.nm.gov/port-of-entry)  
Number of Juvenile Centers in New Mexico (Bing)  
Number of rehabilitation facility in New Mexico (Bing)  
<http://www.nmhistoricsites.org/>  
<http://www.emnrd.state.nm.us/SPD/FindaPark.html>

**STATE OF NEW MEXICO  
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

|                                    | Fiscal Year |         |         |         |         |
|------------------------------------|-------------|---------|---------|---------|---------|
|                                    | 2019        | 2018    | 2017    | 2016    | 2015    |
| General Government:                |             |         |         |         |         |
| Buildings                          | 110         | 110     | 110     | 110     | 110     |
| Vehicles                           | N/A         | N/A     | N/A     | N/A     | N/A     |
| Public Safety:                     |             |         |         |         |         |
| Buildings (not inc. POE'S)         | 29          | 29      | 29      | 29      | 29      |
| Vehicles                           | 1,275       | 1,256   | 900     | 921     | 921     |
| Ports of Entry                     | 8           | 8       | 8       | 6       | 6       |
| Health and Human Services:         |             |         |         |         |         |
| Buildings - General Administrative | 302         | 34      | 34      | 4       | 4       |
| Buildings - Program                |             |         |         |         |         |
| Juvenile Reintegration Center      | 4           | 4       | 4       | 3       | 3       |
| Medical Center/Hospital            | 54          | 57      | 58      | 53      | 53      |
| Rehabilitation Facility            | 5           | 5       | 5       | 7       | 7       |
| Veterans' Center                   | 16          | 16      | 16      | 1       | 1       |
| Vehicles                           | 871         | 871     | 400     | 426     | 426     |
| Corrections:                       |             |         |         |         |         |
| Buildings                          | 406         | 330     | 330     | 330     | 330     |
| Vehicles                           | 439         | 347     | 320     | 355     | 355     |
| Culture and Recreation:            |             |         |         |         |         |
| Vehicles                           | 55          | 54      | 40      | 45      | 45      |
| Museums                            | 13          | 9       | 9       | 4       | 4       |
| Monuments                          | 8           | 7       | 7       | 6       | 6       |
| Natural Resources, Environment:    |             |         |         |         |         |
| Vehicles                           | 261         | 280     | 340     | 380     | 380     |
| State Parks                        | 35          | 35      | 35      | 35      | 35      |
| Wildlife Management Areas (Acres)  | 192,000     | 192,000 | 192,000 | 171,241 | 171,241 |
| Fish Hatcheries                    | 6           | 6       | 6       | 6       | 6       |
| Education Vehicles:                |             |         |         |         |         |
| Vehicles                           | N/A         | N/A     | N/A     | N/A     | N/A     |
| Highways and Transportation:       |             |         |         |         |         |
| Highway Lane Miles                 | 12,272      | 12,272  | 12,272  | 26,598  | 26,598  |
| Vehicles/Heavy Equipment           | 6,500       | 6,500   | 6,500   | 6,417   | 6,417   |

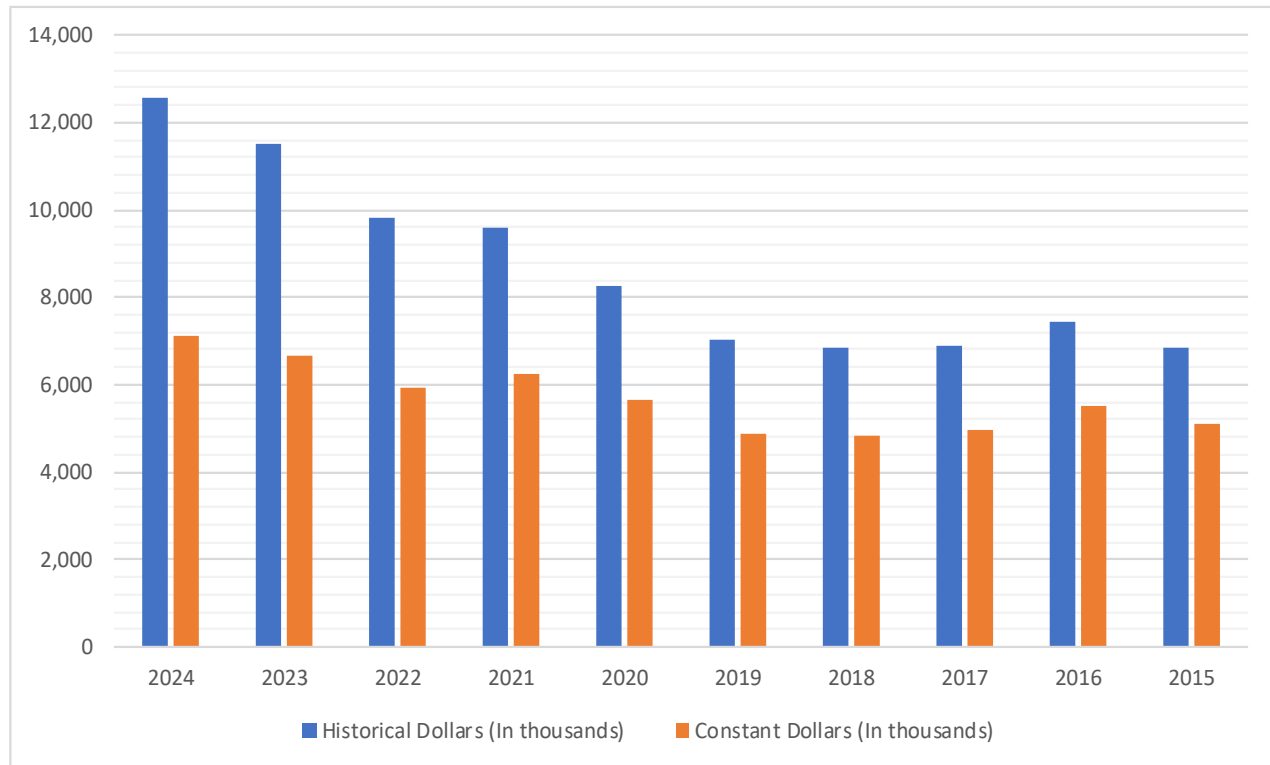
**STATE OF NEW MEXICO  
EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS  
ALL GOVERNMENT FUND TYPES  
LAST TEN FISCAL YEARS**



| Fiscal Year | Expenditures       |        |                  |        |
|-------------|--------------------|--------|------------------|--------|
|             | Historical Dollars |        | Constant Dollars |        |
|             | (in Millions)      | Change | (in Millions)    | Change |
| 2024        | \$ 26,812          | 10.3%  | \$ 15,138        | 7.1%   |
| 2023        | 24,317             | 17.0%  | 14,134           | 12.4%  |
| 2022        | 20,782             | 3.6%   | 12,576           | -4.1%  |
| 2021        | 20,055             | 16.1%  | 13,107           | 10.9%  |
| 2020        | 17,276             | 16.7%  | 11,821           | 15.2%  |
| 2019        | 14,809             | 3.3%   | 10,259           | 1.5%   |
| 2018        | 14,329             | -0.7%  | 10,106           | -3.1%  |
| 2017        | 14,434             | -7.2%  | 10,428           | -9.1%  |
| 2016        | 15,550             | 9.0%   | 11,474           | 7.6%   |
| 2015        | 14,268             | 3.3%   | 10,661           | 12.0%  |

2013 through 2019 are Restated

**STATE OF NEW MEXICO  
PER CAPITA EXPENDITURES  
HISTORICAL AND CONSTANT DOLLARS  
ALL GOVERNMENT FUND TYPES  
LAST TEN FISCAL YEARS**



| Fiscal Year | Expenditures       |        |                  |        |
|-------------|--------------------|--------|------------------|--------|
|             | Historical Dollars |        | Constant Dollars |        |
|             | (in Thousands)     | Change | (in Thousands)   | Change |
| 2024        | \$ 12,587          | 9.4%   | \$ 7,106         | 6.3%   |
| 2023        | 11,501             | 17.0%  | 6,685            | 12.3%  |
| 2022        | 9,834              | 2.7%   | 5,951            | -4.9%  |
| 2021        | 9,571              | 16.1%  | 6,255            | 10.9%  |
| 2020        | 8,244              | 16.9%  | 5,642            | 15.5%  |
| 2019        | 7,050              | 3.1%   | 4,884            | 1.3%   |
| 2018        | 6,838              | -0.7%  | 4,823            | -3.1%  |
| 2017        | 6,888              | -7.5%  | 4,977            | -9.4%  |
| 2016        | 7,447              | 8.6%   | 5,495            | 7.3%   |
| 2015        | 6,856              | 12.1%  | 5,123            | 11.9%  |

2013 through 2019 are Restated

## OTHER REPORTS



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department of Finance and  
Administration, and  
Mr. Joseph M. Maestas, PE, CFE New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Mexico, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise State of New Mexico's basic financial statements, and have issued our report thereon dated March 25, 2025. Our report includes reference to other auditors who audited the financial statements of certain components of the State, as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered State of New Mexico's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of State of New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of State of New Mexico's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico  
Mr. Wayne Propst, Secretary of the New Mexico Department of Finance and Administration,  
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department of Finance and  
Administration, and  
Mr. Joseph M. Maestas, PE, CFE New Mexico State Auditor  
State of New Mexico

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether State of New Mexico's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-002.

### **State of New Mexico's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the State of New Mexico's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. State of New Mexico's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Albuquerque, NM  
March 25, 2025

**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section I – Summary of Auditors' Results**

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***Financial Statements***

- |                                                          |                    |                     |  |
|----------------------------------------------------------|--------------------|---------------------|--|
| 1. Type of auditors' report issued:                      | Unmodified         |                     |  |
| 2. Internal control over financial reporting:            |                    |                     |  |
| • Material weakness(es) identified?                      | _____ yes          | _____ <u>X</u> no   |  |
| • Significant deficiency(ies) identified?                | _____ <u>X</u> yes | _____ none reported |  |
| 3. Noncompliance material to financial statements noted? | _____ yes          | _____ <u>X</u> no   |  |

**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section II – Financial Statement Findings**

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**2024 – 001 (2022-002) Internal Control over Financial Reporting (Significant Deficiency)**

**Condition:** During the audit we identified the following issues related to the State's internal controls over financial reporting:

- The State has a formalized process to identify intra-entry activity and balances to prepare the necessary elimination entries for the preparation of the State financial statements. However, the State did not completely follow its process to fully eliminate the activity and balances at the State ACFR level.
- During our review of the trial balance reconciliation process performed by the ACFR Unit, it was noted that the process should be improved to incorporate the characterization of activity within a component's accounting records compared to the presentation on the financial statements. For instance, the ACFR Unit should verify the following:
  - Activity recorded to capital outlay accounts compared to additions reflected in the capital asset roll forward. This should include additions to RTUA and SBITA.
  - Activity recorded to debt proceeds and debt payments compared to additions and deletions in the long-term liability roll forward. This should include activity to RTUA and SBITA.
  - Activity recorded as transfers in/out within the chart of accounts should be classified as other financing sources/uses on the respective financial statements, rather than being categorized under programmatic or operating revenue. While the State has established a process to review this activity and ensure its alignment with the respective component financial statements, this process is not being consistently followed. Activity recorded in the capital or operating grant revenue accounts should be reflected as such on the respective statement of activities.

*Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the streams of financial data that flows into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across components in accordance with the Model of Accounting Practices (MAPs). The state has identified occasional instances whereby the accounts were not utilized appropriately. The state continues ongoing review and training for this process to remedy these occasional instances.*

**Criteria or specific requirement:** Per Section 6-5-2 NMSA 1978, the Division shall maintain a central system of state accounts and shall devise, formulate, approve, control and set standards for the accounting methods and procedures of all state agencies ("state agency" means any department, institution, board, bureau, commission, district or committee of the government of the state and means every office or officer of any of the above). The Division shall prescribe procedures, policies and processing documents for use by state agencies in connection with fiscal matters and may require reports from state agencies as may be necessary to carry out its duties and functions. In addition, Section 6-5-2.1 NMSA 1978 requires the Division to conduct all central accounting and fiscal reporting for the state as a whole and produce interim statewide financial reports and the state's annual comprehensive financial statements, which should be prepared in accordance with generally accepted accounting principles.

**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section II – Financial Statement Findings**

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**2024 – 001 (2022-002) Internal Control over Financial Reporting (Significant Deficiency)  
(Continued)**

**Criteria (Continued):** Additionally, in order to achieve a more automated financial statement drafting process, activity needs to be recorded in the proper accounts to appropriately reflect the characterization on the face of the financial statements.

**Effect:** Untimely identification of misstatements or potential misstatements not detected by the State.

**Cause:** These issues can be attributed to the complexity of the State's reporting entity and the quantity of separate components and their related control environments/processes that comprise the State's financial statements.

**Recommendation:** We recommend the State continue to evaluate the approach of producing the State's financial statements and evaluate each of the identified errors and issues outlined in the condition of this finding to determine the root of the issue to facilitate an appropriate corrective action. The State should continue its efforts of communicating enhanced policies, procedures, and directives to the components that are included in this statewide report.

**Views of responsible officials and planned corrective actions:** The state has made enormous progress in the last few years by updating policies and procedures and working more closely with individual state agencies, however, there remain areas of potential improvement. The state is committed to investing in additional staffing, system updates, and increased training to ensure internal processes and controls are conducive to productive and efficient state government. This includes strengthening accounting principles, policies, and internal control requirements through the Model of Accounting Practices pursuant to § 6-5-2, NMSA 1978. Additionally, enforcement of regulations will remain a priority with additional measures taken by the Financial Controls Division to ensure state agency/component unit and their independent public auditors are held responsible for execution and adherence to § 6-5-2 (C), NMSA 1978, generally accepted accounting principles, and the New Mexico Audit Act. The State Controller and the ACFR Bureau Chief assume responsibility for this mitigation plan with the expectation these issues will be resolved by June 30, 2025.

**STATE OF NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2024**

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**Section III – Section 12-6-5 NMSA 1978 findings**

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**2024 – 002 (2015-001) Late Submission of Audit Report (Other Non-Compliance and Other Matters)**

**Condition:** The audit report for the annual financial report for the year ended June 30, 2024 was not submitted by Regulatory due date of December 31, 2024.

*Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the information that rolls into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across all entities.*

**Criteria:** Audit reports not received on or before the due date are considered non-compliance with the requirements of Section 2.2.2.9.A of the State Audit Rule.

**Effect:** Non-compliance with the State Audit Rule.

**Cause:** The State's financial statements, along with their audit, rely on the completion of separately audited financial statements for each component of the State. These individual audits have submission deadlines ranging from November 1 to December 1, after which they undergo final review and approval for release by the Office of the State Auditor before they can be referenced in the State's overall audit. Due to the sequential nature of this process, coupled with the necessary review and clearance requirements, the current reporting framework does not allow for a December 31st submission deadline to be met.

**Recommendation:** We recommend the New Mexico Department of Finance and Administration (DFA) continue to evaluate the entire approach of producing the statewide financial statements and the related processes and methodology to determine which processes could be improved to facilitate DFA's ability to produce a more timely report. In addition, we recommend DFA work with the Office of the State Auditor to determine if the December 31st deadline should be adjusted to a later date that is more realistic with the current reporting framework.

**Views of responsible officials and planned corrective actions:** Management acknowledges this finding. The state has made tremendous progress in improving the timeliness of the ACFR. However, the ACFR's timeliness is still being affected by constraints placed on DFA that prevent completion by the date set forth in the audit rule. DFA will continue to work towards improving processes and procedures to complete the ACFR as soon as possible after year end. The state will also continue to work with the State Auditor as well as the Legislature to enact legislative changes that will facilitate timely submittal of the ACFR, including moving the state towards a single federal audit and singular ACFR. These policies would align the State of New Mexico with the accounting and auditing practices of all other 49 states in the US. The State Controller will be responsible for this mitigation plan. While legislative changes will require extensive negotiation, DFA is committed to working with the legislature and other stakeholders during the next 60-day session in calendar year 2027.

**STATE OF NEW MEXICO  
STATUS OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**Financial Statement Findings**

2023-001 – Internal Control over Financial Reporting – Repeated and Modified

**Section 12-6-5 NMSA 1978 findings**

2023-002 – Late Submission of Audit Report – Repeated and Modified

**STATE OF NEW MEXICO  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2024**

An exit conference was held with the State on March 28, 2025, via Microsoft Teams. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO

Wayne Propst, Cabinet Secretary

Renee Ward, Deputy Cabinet Secretary

Mark S Melhoff, Financial Control Division/Acting State Controller

Heather Kent, Cash Control Manager/Acting Deputy Director

John Severns, SFRAB Bureau Chief

Kusum Adhikari, SFRAB Deputy Bureau Chief

CLIFTONLARSONALLEN LLP

Matt Bone, Principal

Laura Beltran-Schmitz, Principal

Andres Gamez, Director

**PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements were prepared by CliftonLarsonAllen LLP with assistance provided by the State's personnel. The State is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The State has reviewed and approved the financial statements and notes to the financial statements.

## APPENDIX B

### FORM OF ATTORNEY GENERAL'S NO LITIGATION LETTER

June 20, 2025

State Board of Finance  
State of New Mexico  
Bataan Memorial Building, Ste. 181  
Santa Fe, NM 87501

Taft Stettinius & Hollister LLP  
6565 Americas Parkway NE, Suite 200  
Albuquerque, NM 87110

Rodey, Dickason, Sloan, Akin & Robb, P.A.  
201 3rd St. NW, Ste. 2200  
Albuquerque, NM 87102

Kutak Rock LLP  
2001 16th Street, Suite 1800  
Denver, CO 80202

Re: State of New Mexico General Obligation Bond, Series 2025 (\$210,960,000)

Ladies and Gentlemen:

This letter will serve as our certificate of litigation concerning the State of New Mexico General Obligation Bond, Series 2025, in the aggregate principal amount of \$210,960,000.

To the best of our knowledge, and except as set forth below, there is no pending or threatened action, suit or proceeding at law or in equity before or by any judicial or administrative agency against or affecting the State wherein an unfavorable decision, ruling, or finding would materially and adversely affect: (i) any officers of the State in their respective capacities as such or the existence, organization or power of the State, insofar as these matters relate to these bonds; (ii) the sale, award, issuance and delivery of these bonds; (iii) the effectiveness of the legislation authorizing the issuance of these bonds; (iv) the transactions authorized by the State Board of Finance in its resolutions of March 18, 2025, (the "Bond Resolution") relating to the sale, award, issuance and delivery of these bonds; or (v) the validity or enforceability of the bonds or the Bond Resolution.

We have reviewed the Decision and Order filed on December 29, 2020, in the Eleventh Judicial District Court (McKinley County) in Cause No. D-1113-CV-9800014, *The Zuni Public School Dist., et al., v. The State of New Mexico, et al.* The December 29, 2020 order is a final, appealable judgment. It provides declaratory relief in the form of a finding that the State's Public School Capital Outlay Act, NMSA 1978, Sections 22-21-1 to -12 (1975, as amended through 2020) and Public School Capital Improvements Act, NMSA 1978, Sections 22-25-1 to -11 (1975, as amended through 2020) are unconstitutional; and enjoins the legislature to create and implement a statutory scheme consistent with Article XII, Section 1 of the New Mexico Constitution. Notably, the decision does not expressly or indirectly reference the State's Severance Tax Bonding Act, NMSA 1978, Sections 7-27-1 to -27 (1961, as amended through 2022). On January 28, 2021, the State Defendants filed a Motion for Post-Judgment Relief, to Amend and Reconsider Final Judgment, for Clarification of Order, and for Stay. On February 11, 2021, the State Defendants filed an Unopposed Expedited Motion for Limited Stay to be effective until a final order was issued. The motion was granted on February 12, 2021, when the Court issued an order expressly staying the Final Decision and Order for the purpose of permitting bonding activity and the release of proceeds to proceed uninterrupted. On June 18, 2021, the Court issued an Order Denying State Defendant's Post Judgment Motions. Subsequently, on June 25, 2021, the Court issued an Order Amending the Limited Stay of the Judgment and ordered that any appeal taken by the State Defendants would operate as an automatic stay of the Court's December 29, 2020 Final Decision and Order as well as the June 18, 2021 Order Denying the State Defendants' Post-Judgment Motions. The State thereafter



filed its notice of appeal with the New Mexico Court of Appeals as Cause No. A-1-CA-39902 on July 19, 2021. Briefing was completed on December 19, 2022. On July 19, 2023, Plaintiff Gallup-McKinnley School District No. 1 submitted an opposed motion to Certify the Appeal to the New Mexico Supreme Court. The State timely filed a response in opposition to the Motion, but the Court of Appeals issued an Order of Certification to the New Mexico Supreme Court on August 7, 2023, pursuant to Rule 12-606 NMRA and NMSA 1978, Section 34-5-14(C). In its order, the Court of Appeals stated that the “issues in the appeal raise significant constitutional questions which are of great public import that should be determined by our Supreme Court.” The Supreme Court accepted certification on November 28, 2023, as Cause No. S-1-SC-40050.

On December 2, 2024, the New Mexico Supreme Court ruled that the case was moot because of the Legislature’s amendments to the capital outlay scheme that funds public school facilities and remanded the case to District Court for further proceedings, if any.

In addition, we are aware of a recent matter titled *Mario Atencio, et al. v. State of New Mexico et al.*, D-101-CV-2023-01038, filed in the First Judicial District Court (Santa Fe County) on May 10, 2023. The Complaint is titled as “Complaint to Enforce Constitutional Rights for A Healthful and Beautiful Environment and Protection of Natural Resources from Despoilment Due to Oil and Gas Pollution, and to Enforce the Rights of Frontline Communities, Indigenous Peoples and Youth to Life, Liberty, Property, Safety, Happiness, and Equal Protection in the Face of The State’s Permitting of Oil and Gas Production and Pollution and For Declaratory and Injunctive Relief.” The Complaint raises several constitutional challenges including alleged violations of Article XX, Section 21 of the New Mexico Constitution as well as the Equal Protection Clause and Due Process Clause of Article II, Sections 4 and 18 of the New Mexico Constitution in connection with the State’s regulation and oversight of the oil and gas industry. Plaintiffs also allege violations of the New Mexico Civil Rights Act, NMSA 1978, Sections 41-4A-1 to -13 (2021). Notably, however, the Complaint does not raise a challenge to the State’s Severance Tax Bonding Act. A motion by the State was partially granted and partially dismissed on June 10, 2024. On June 25, 2025, Defendants filed an Application for Interlocutory Appeal. On August 16, 2024, the New Mexico Court of Appeals granted the interlocutory appeal as Cause A-1-CA-42006 (consolidated with A-1-CA-42003, A-1-CA-42006). On June 3, 2025, the Court of Appeals issued a decision siding with the Defendants. The Court of Appeals has remanded the case with instructions that the district court is to dismiss Plaintiffs’ complaint. The State is currently assessing whether Plaintiffs may seek a writ of certiorari to the state Supreme Court.

In addition, at any given time, a number of protests/refund claims are pending at the administrative level. As of June 15, 2001, payments on severance tax assessments issued by the Taxation and Revenue Department (TRD), including any on undervaluation assessments made after that date, typically are held in a suspense fund until the TRD Secretary determines that there is no substantial risk of protest or other litigation. See NMSA 1978, § 7-1-6.20(B) (2001, as amended through 2020).

While we are unable to predict with reasonable certainty the outcome of pending litigation and administrative proceedings, they would not, in our opinion, except as limited below, reasonably be expected to have a material effect on the owner of the Bonds. This office expresses no opinion on the effects of the McKinley County ruling discussed hereinabove. This office is not aware of any other pending or threatened litigation that would affect the severance tax of the state or the authority of the state to issue the Bonds.

Sincerely,

Zachary Shandler  
Assistant Attorney General

## **APPENDIX C**

### **FORMS OF OPINIONS OF BOND COUNSEL AND TAX COUNSEL**

#### **FORM OF OPINION OF TAX COUNSEL**

June 20, 2025

State of New Mexico State Board of Finance  
Sante Fe, New Mexico

\$210,960,000  
THE STATE OF NEW MEXICO  
CAPITAL PROJECTS GENERAL OBLIGATION BONDS  
SERIES 2025

Ladies and Gentlemen:

We have acted as Special Tax Counsel to the State of New Mexico (the "State") in connection with its issuance of its Capital Projects General Obligation Bonds, Series 2025 (the "Bonds") under authority of the 2024 Capital Projects General Obligation Bond Act (the "Act"), and pursuant to the resolution by the State Board of Finance (the "Board") adopted and approved on March 18, 2025 (the "Bond Resolution").

In such capacity, we have examined the State's certified proceedings, the Federal Tax Certificate of the State, the Agency Tax Certificates, between the State and the boards, commissions, departments, agencies, political subdivisions and other entities of the State being granted a portion of the proceeds of the Bonds (collectively, the "Agencies"), and such other documents and such law of the State of New Mexico and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to such terms in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings, representations of the Agencies and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as Special Tax Counsel that:

1. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings, the Agencies' certified proceedings and in certain other documents and certain other certifications furnished to us. The State and the Agencies have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the

Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

2. Under laws of the State in effect as of the date hereof, the Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds, the Bond Act, and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In rendering the opinions set forth above, we are relying on the approving opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A. as to the validity and enforceability of the Bonds.

In this opinion letter issued in our capacity as Special Tax Counsel, we are opining only upon those matters set forth herein, and we are not opining upon the adequacy, accuracy or completeness of the Official Statement dated June 4, 2025, relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or State tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

## FORM OF BOND COUNSEL OPINION

June 20, 2025

State Board of Finance  
State of New Mexico

\$210,960,000  
State of New Mexico  
Capital Projects General Obligation Bonds  
Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the State Board of Finance (the “Board”) of the State of New Mexico (the “State”) in connection with the issuance of the State of New Mexico Capital Projects General Obligation Bonds, Series 2025, in the aggregate principal amount of \$210,960,000 (the “Bonds”) on June 20, 2025, and being a series of bonds in registered form maturing on March 1, 2026 and serially thereafter on March 1 of each year through 2035.

In such capacity, we have examined the transcript of proceedings (the “Transcript”) relating to the Bonds and have also examined the provisions of the Constitution and laws of the State, including the 2024 Capital Projects General Obligation Bond Act, Chapter 64 of New Mexico Laws of 2024, under authority of which the Bonds were issued, the resolutions authorizing the issuance and sale of the Bonds (the “Bond Legislation”) adopted by the Board on March 18, 2025, and amended on June 17, 2025, and an executed Bond of the first maturity. We have also made such further inquiries and investigations and have examined such laws and such further documents and matters as we have considered necessary in rendering this opinion.

Regarding questions of fact material to our opinions, we have relied upon the State’s and Board’s respective certified proceedings relating to the Bonds and upon other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Certain agreements, requirements, and procedures contained or referred to in the Bond Legislation and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon with respect to any such change or action taken or omitted upon the advice or approval of counsel other than ourselves.

Based on our examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Bonds constitute valid and binding general obligations of the State and the principal of and interest on the Bonds, unless paid from other sources, are payable from the proceeds of the levy of ad valorem taxes on all property in the State, subject to property taxation for State purposes, without limit as to rate and in an amount sufficient to pay the principal and interest on the Bonds when due.
2. The Bond Legislation is valid and binding on the Board and is enforceable in accordance with its terms.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. Furthermore, we have assumed the continued accuracy of the representations and the continuing compliance with the covenants and agreements contained in the Bond Legislation. We call attention to the fact that the rights and obligations of the Board pursuant to the Bonds, the Bond Legislation and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State of New Mexico. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the documents described herein. Finally, we undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds and express herein no opinion relating thereto.

We express no opinion regarding any federal or state income tax consequences arising from the receipt or accrual of interest on or ownership or disposition of the Bonds.

Very truly yours,

## **APPENDIX D**

### **FORM OF CONTINUING DISCLOSURE UNDERTAKING**

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the State Board of Finance (the “Board”) of the State of New Mexico (the “State”) on behalf of the State in connection with the issuance by the State of its Capital Projects General Obligation Bonds, Series 2025 (the “Bonds”). The Bonds are being issued pursuant to the Bond Resolution adopted by the Board on March 18, 2025 (as may be subsequently amended, collectively, the “Bond Resolution”).

#### **BACKGROUND**

1. The Bonds are being issued to provide funds for the payment of the costs of certain Projects. The Bonds are authorized pursuant to the authority of the 2024 Capital Projects General Obligation Bond Act (the “Act”) duly promulgated by the Legislature of the State of New Mexico (the “State”) as Chapter 64, Laws 2024.

2. In order to allow the underwriter of the Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12, as amended to the date hereof), the State is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds.

3. This Disclosure Undertaking is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

#### **STATE COVENANTS AND AGREEMENTS**

##### **Section 1. Definitions.**

(a) “Annual Financial Information” means the financial information or operating data with respect to the State, delivered at least annually pursuant to Section 2(a) and 2(b) hereof, of the type set forth in the sections of the final Official Statement identified on Exhibit A hereto. Annual Financial Information includes Audited Financial Statements.

(b) “Audited Financial Statements” means the annual financial statements for the State, prepared in accordance with generally accepted accounting principles, as in effect from time to time, audited by a firm of certified public accountants.

(c) “Event Information” means the information delivered pursuant to Section 2(d) hereof.

(d) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1300 I Street NW, Suite 1000, Washington, DC 20005, phone (202) 838-1500, fax (202) 898-1500.

(e) “National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository (“NRMSIR”) for purposes of the Rule. Currently, the following is the only National Repository:

Electronic Municipal Market Access (“EMMA”)  
c/o Municipal Securities Rulemaking Board  
1300 I Street NW, Suite 1000  
Washington, DC 20005  
[www.emma.msrb.org](http://www.emma.msrb.org)  
(202) 838-1500

(f) “Official Statement” means the Official Statement dated June 4, 2025 delivered in connection with the original issue and sale of the Bonds.

(g) “Repository” means (i) EMMA and (ii) any SID.

(h) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12, as the same may be amended to the date hereof).

(i) “SEC” means the Securities and Exchange Commission.

(j) “SID” means any State Information Depository operated or designated by the State that receives information from all issuers within the State. As of the date of this Disclosure Undertaking, no SID exists for the State.

## **Section 2. Provision of Annual Information and Reporting of Event Information.**

(a) Commencing with the Fiscal Year ending June 30, 2025, and annually while the Bonds remain outstanding, the State agrees to provide or cause to be provided the Annual Financial Information to each Repository annually.

(b) Such Annual Financial Information shall be provided not later than two hundred ten (210) days after the end of each fiscal year for the State. If the Audited Financial Statements are not available by the time the other Annual Financial Information must be provided, unaudited financial statements shall be provided as part of the Annual Financial Information. If not provided as a part of the Annual Financial Information, the Audited Financial Statements will be provided when available.

(c) The State may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the State, which have been submitted to each Repository; provided, however, that if the document so referenced is a final official statement within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding, the State shall provide, in a timely manner, to the MSRB and any SID notice of any of the following events with respect to the Bonds (provided, that any event under clauses (ii), (vii), (viii), (x), (xiv) and (xv) will be provided only if deemed to be material):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Forms 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds;
- (vii) Modifications to rights of bond holders;
- (viii) Bond calls, other than mandatory sinking fund redemption, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of any property securing repayment of the securities;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar proceedings;
- (xiii) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination;
- (xiv) Appointment of successor or additional trustee or the change of name of a trustee;
- (xv) Incurrence of a financial obligation of the Board or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board or obligated person, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Board or obligated person, any of which reflect financial difficulties.



(e) At any time the Bonds are outstanding, the State shall provide, in a timely manner, to the MSRB and any SID notice of any failure of the State to timely provide the Annual Financial Information as specified in Sections 2(a) and 2(b) hereof.

**Section 3. Method of Transmission.** Subject to technical and economic feasibility, the State shall employ such methods of electronic or physical information transmission as is requested or recommended by the Repositories or the MSRB unless otherwise required by law.

**Section 4. Enforcement.** The obligations of the State hereunder shall be for the benefit of the owners (including the beneficial owners) of the Bonds. The owner or beneficial owner of any Bonds is authorized to take action to seek specific performance by court order to compel the State to comply with its obligations under this Disclosure Undertaking, which action shall be the exclusive remedy available to it or any other owners or beneficial owners of the Bonds. Any such action shall be brought only in the First Judicial District Court in Santa Fe, County, New Mexico. Breach of the obligations of the State hereunder shall not constitute an event of default under the Bond Resolution and none of the rights and remedies provided by the Bond Resolution shall be available to the owners (including the beneficial owners) of the Bonds.

**Section 5. Additional Information.** Nothing in this Disclosure Undertaking shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not Event Information, in addition to that which is required by this Disclosure Undertaking; provided that the State shall not be required to do so. If the State chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the State shall have no obligation under this Disclosure Undertaking to update such information or include it in any future annual filing or Event Information filing.

**Section 6. Term.** This Disclosure Undertaking shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earliest of (i) the date all principal and interest on the Bonds shall have been paid or legally defeased pursuant to the terms of the Bond Resolution; (ii) the date that the State shall no longer constitute an “obligated person” with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

**Section 7. Amendments and Waivers.** Notwithstanding any other provision of this Disclosure Undertaking, the State may amend this Disclosure Undertaking from time to time, and any provision of this Disclosure Undertaking may be waived, without the consent of the owners or beneficial owners of the Bonds upon the State’s receipt of an opinion of counsel experienced in federal securities laws to the effect that such amendment or waiver will not adversely affect compliance with the Rule. Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The State shall provide notice of any such amendment or waiver to each Repository.

**Section 8. Beneficiaries.** This Disclosure Undertaking shall inure solely to the benefit of the State and the owners (including beneficial owners) from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 9. Governing Law.** This Disclosure Undertaking shall be governed by the laws of the State and applicable federal law, including the Rule.

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IN WITNESS WHEREOF, the undersigned has executed this Disclosure Undertaking as of June 20, 2025.

NEW MEXICO STATE BOARD OF FINANCE

By\_\_\_\_\_

## **EXHIBIT A**

### **Portions of the Official Statement Containing the Type of Information To Be Included as Annual Financial Information**

1. OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS  
All
2. THE STATE OF NEW MEXICO  
All
3. PROPERTY VALUATION AND TAXATION  
All
4. FINANCIAL OVERVIEW OF THE STATE  
All
5. STATE OF NEW MEXICO FINANCIAL STATEMENTS (Audited)  
All