



# STATE OF NEW MEXICO

## Annual Comprehensive Financial Report



**For the Fiscal Year End 2024**

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**

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

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

**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**

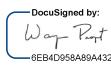
New Mexico's Constitution and laws authorize the state to issue general obligation bonds, severance tax bonds and revenue bonds to finance or refinance the cost of state capital projects. General obligation bonds are secured by the full faith and credit of the state and are repaid from a dedicated statewide 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:  
  
Wayne Propst

3/20/2025

6EB4D958A89A432...  
Wayne Propst  
Cabinet Secretary

# STATE OF NEW MEXICO

## SELECTED STATE OFFICIALS

June 30, 2024

### Executive

**Michelle Lujan Grisham, Governor**

**Howie Morales, Lieutenant Governor**

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

### Judicial

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

### Legislative - Senate

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

### Legislative – House of Representatives

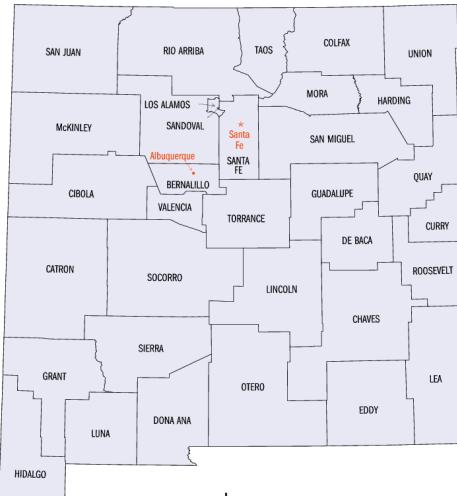
Javier Martinez Speaker of the House	Reena Szczepanski Majority Floor Leader	Gail Armstrong Minority Floor Leader	Dayan Hochman-Vigil Majority Whip
Alan T. Martinez Minority Whip			

# STATE OF NEW MEXICO

## ORGANIZATIONAL CHART

June 30, 2024

### Citizens of New Mexico



### EXECUTIVE

#### Governor

Lieutenant Governor  
Secretary of State  
State Auditor  
State Treasurer  
Attorney General  
Commissioner of Public Lands  
Public Regulation Commission

### LEGISLATIVE

Senate  
House of Representatives

### JUDICIAL

Supreme Court  
Court of Appeals  
District Courts  
Magistrate Courts

### GOVERNOR'S CABINET

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

## **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

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

#### Fund Statements

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

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

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

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

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

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

#### *Restatement*

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

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



**CliftonLarsonAllen LLP**

Albuquerque, NM  
March 25, 2025

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

## **INTRODUCTION**

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

## **FINANCIAL HIGHLIGHTS**

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

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

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

#### ***Long-term Debt***

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

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

***Fund Level***

***Governmental Funds***

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

***Proprietary Funds***

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

This report also includes statistical data.

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

***Government-wide Statements***

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

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

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

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

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

***Governmental Activities***

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

***Business-type Activities***

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

***Component Units***

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

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

***Fund Financial Statements***

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

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

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

***Governmental Funds***

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

***Proprietary Funds***

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

***Fiduciary Funds***

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

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

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

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

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

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

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

***Notes to the Financial Statements***

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

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

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

***Other Supplementary Information***

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

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

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

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

***Net Position***

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

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

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

<b>State of New Mexico</b> <b>Net Position as of June 30, 2024</b> <i>(Expressed in Thousands)</i>						
	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	<u>82,306,385</u>	<u>71,080,864</u>	<u>8,043,753</u>	<u>7,465,559</u>	<u>90,350,138</u>	<u>78,546,423</u>
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	<u>14,800,215</u>	<u>13,652,494</u>	<u>4,654,081</u>	<u>4,636,242</u>	<u>19,454,296</u>	<u>18,288,735</u>
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	<u>\$ 67,459,361</u>	<u>\$ 57,422,033</u>	<u>\$ 3,074,048</u>	<u>\$ 1,934,108</u>	<u>\$ 70,533,409</u>	<u>\$ 59,356,142</u>
Percentage Change in Total Net Position from Prior Year	<u>17.5 %</u>		<u>58.9 %</u>		<u>18.8 %</u>	

### ***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.

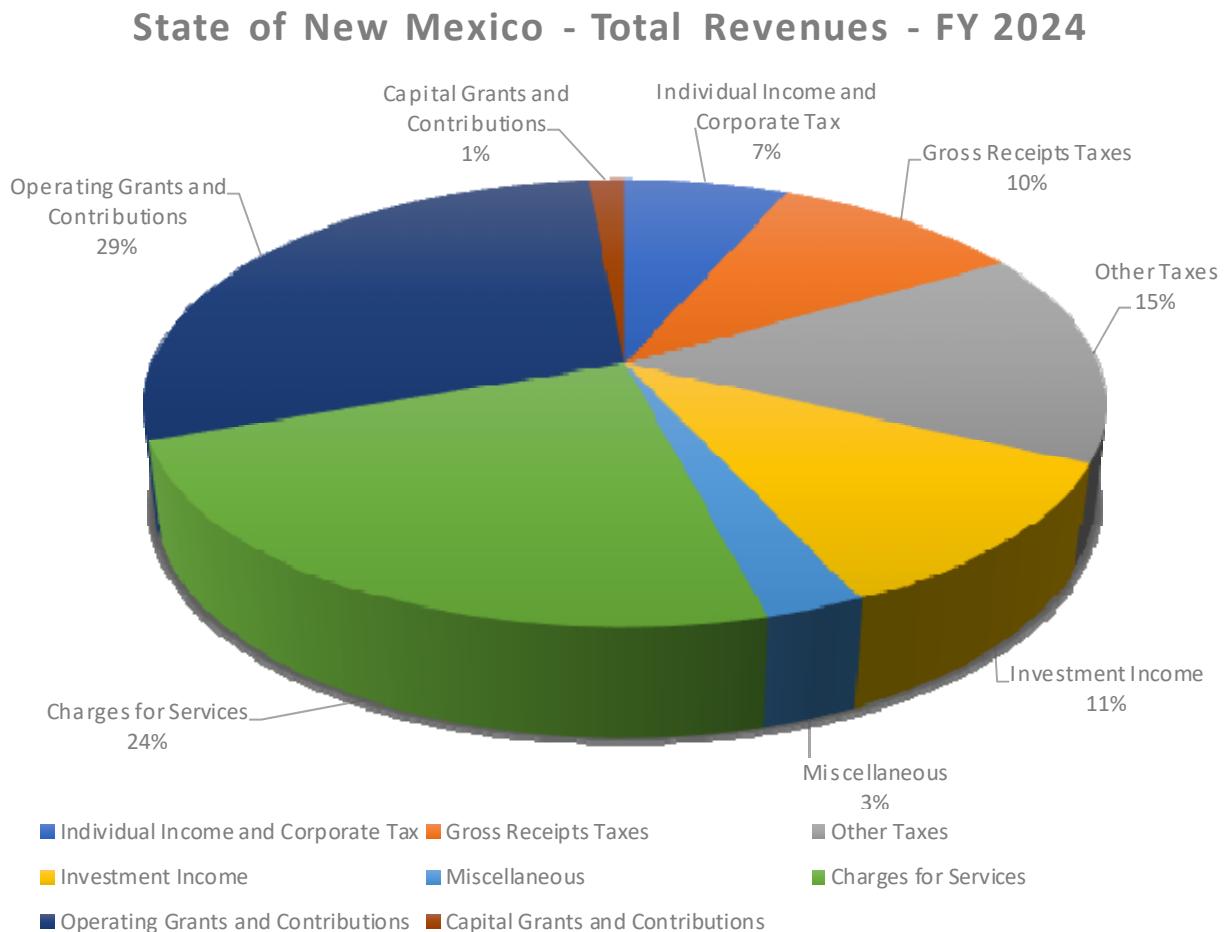
The State earned program revenues of \$22.1 billion, collected tax revenue of \$13.1 billion, and had a gain in general revenues related to investment revenues (expenses) of \$4.5 billion. Total revenues for 2024 were \$40.1 billion, an increase of \$1 billion, or 2.6 percent from fiscal year 2023. The 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:

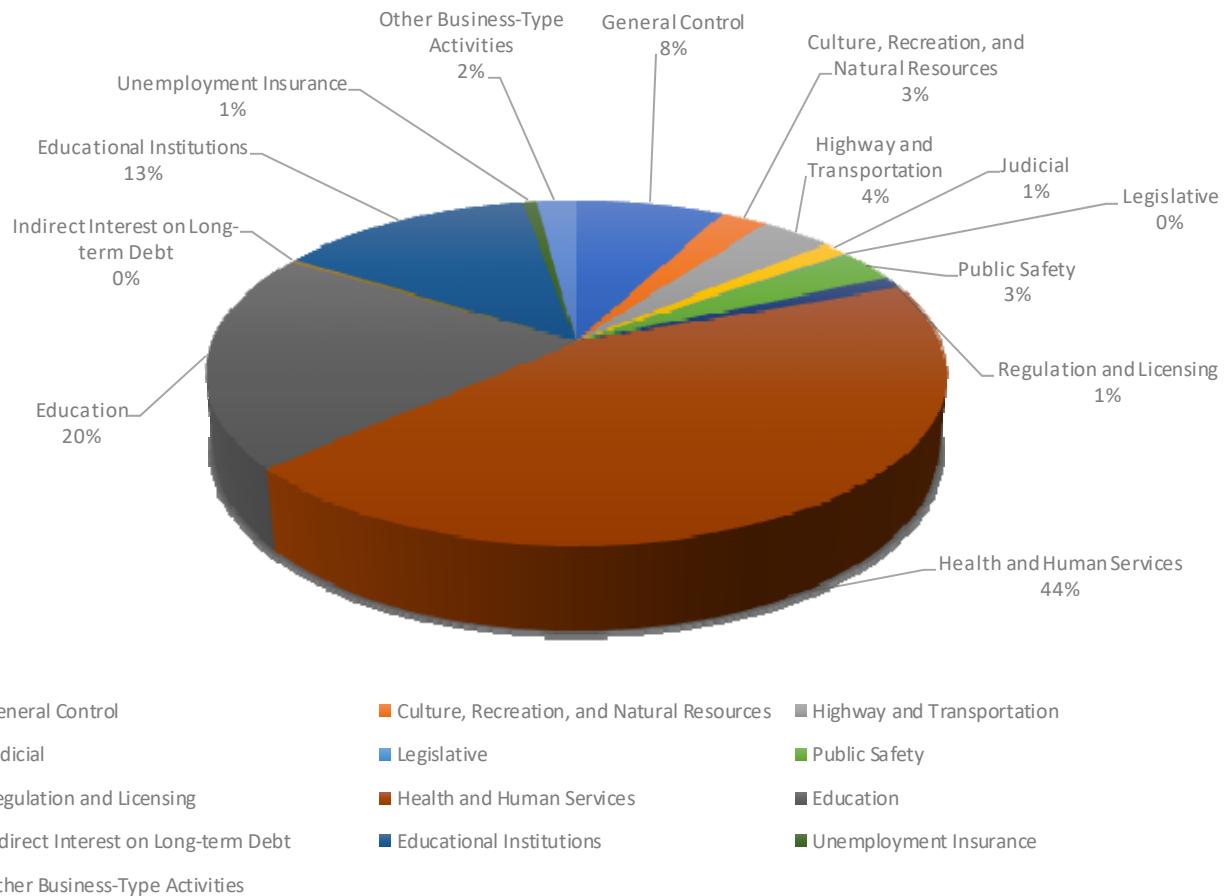
<b>State of New Mexico</b> <b>Changes in Net Position</b>							
<b>For the Fiscal Year Ended June 30, 2024</b> <i>(Expressed in Thousands)</i>							
	Government Activities		Business-Type Activities		Total Primary Government		Total Percentage Change 2023 to 2024
	2024	2023	2024	2023	2024	2023	
<b>Revenues</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	<u>(1,499,482)</u>	<u>(1,390,769)</u>	<u>1,499,482</u>	<u>1,390,769</u>	<u>-</u>	<u>-</u>	
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><u>\$ 67,459,361</u></u>	<u><u>\$ 57,422,033</u></u>	<u><u>\$ 3,074,048</u></u>	<u><u>\$ 1,934,108</u></u>	<u><u>\$ 70,533,410</u></u>	<u><u>\$ 59,356,141</u></u>	18.8

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

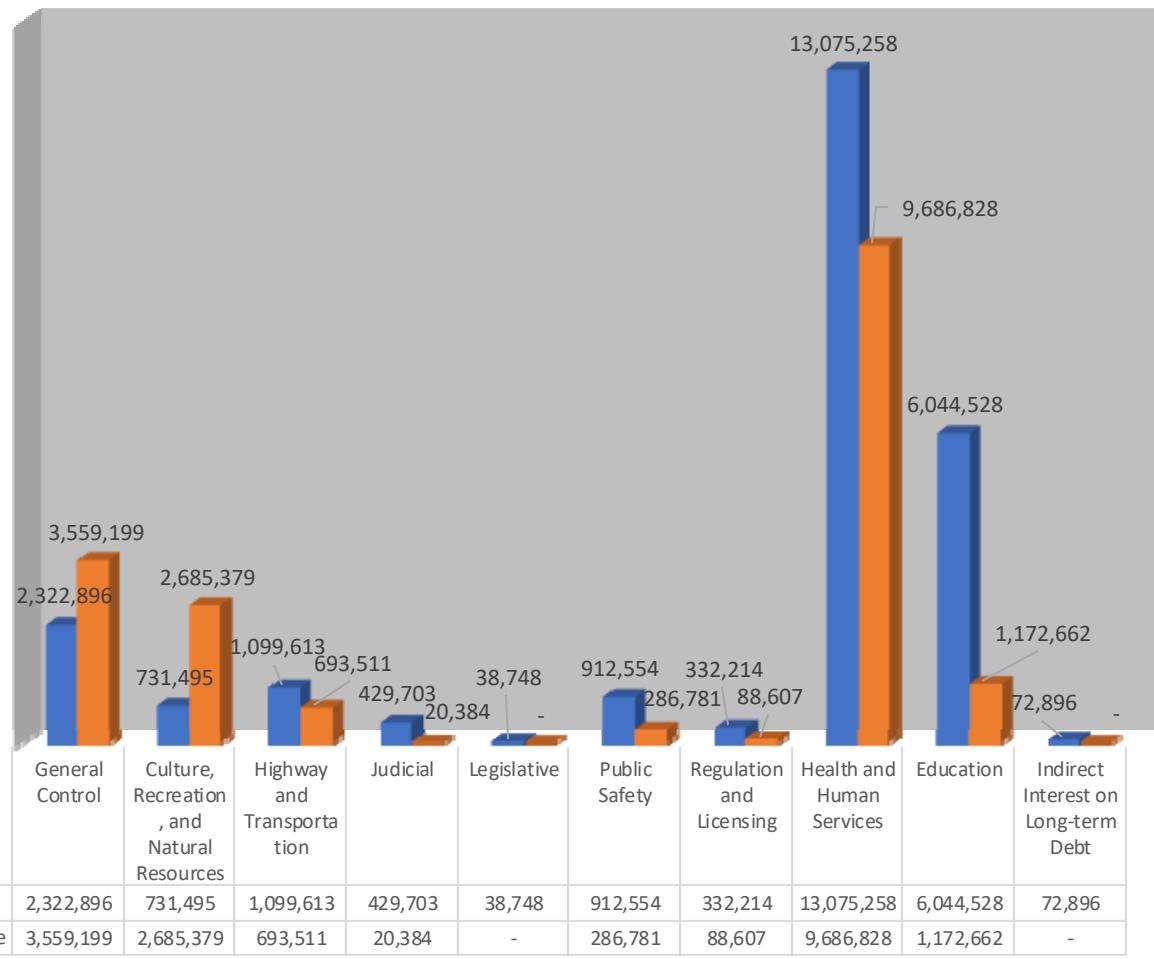
**STATE OF NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2024**

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

	Program Expenses	Less Program Revenues				Program Revenues as a Percentage of Program Expenses	
				Net Program Costs		2024	2023
		2024	2024	2024	2023		
General Control	\$ 2,322,896	\$ (3,559,199)	\$ 1,236,303	\$ 2,417,516		153.2 %	(226.4)%
Culture, Recreation, and 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)	-	-	
<b>Total</b>	<b>\$ 25,059,905</b>	<b>\$ (18,193,351)</b>	<b>\$ (6,866,554)</b>	<b>\$ (3,061,435)</b>	<b>72.6 %</b>	<b>(86.6)%</b>	

**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 Fund	Severance Tax	Land Grant	Nonmajor Governmental Funds	Totals Governmental 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
<b>Total</b>	<b>\$ 18,204,259</b>	<b>\$ 9,746,946</b>	<b>\$ 32,093,099</b>	<b>\$ 6,050,412</b>	<b>\$ 66,094,716</b>
'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 &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)**

	<b>Primary Government</b>			<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>		
<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	<u>73,471,899</u>	<u>2,999,972</u>	<u>76,471,871</u>	<u>1,237,792</u>	
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	<u>8,834,486</u>	<u>5,043,781</u>	<u>13,878,267</u>	<u>6,304,952</u>	
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	<u>810,428</u>	<u>394,626</u>	<u>1,205,054</u>	<u>143,766</u>	

See accompanying Notes to Financial Statements.

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<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	<u>7,259,802</u>	<u>806,495</u>	<u>8,066,297</u>	<u>941,272</u>
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	<u>7,540,413</u>	<u>3,847,586</u>	<u>11,387,999</u>	<u>4,283,706</u>
Total Liabilities	<u>14,800,215</u>	<u>4,654,081</u>	<u>19,454,296</u>	<u>5,224,978</u>
<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	<u>857,237</u>	<u>710,250</u>	<u>1,567,487</u>	<u>141,759</u>
<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)	<u>(3,746,933)</u>	<u>(1,137,073)</u>	<u>(4,884,006)</u>	<u>(16,869)</u>
Total Net Position	<u>\$ 67,459,361</u>	<u>\$ 3,074,048</u>	<u>\$ 70,533,409</u>	<u>\$ 2,319,773</u>

See accompanying Notes to Financial Statements.

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

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

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 Fund	Severance Tax Fund	Land Grant 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	-	-
<b>Total Assets</b>	<b><u>\$ 24,652,281</u></b>	<b><u>\$ 10,004,602</u></b>	<b><u>\$ 32,991,027</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF 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	-	-
<b>Total Liabilities</b>	<b><u>5,655,608</u></b>	<b><u>257,656</u></b>	<b><u>897,928</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	290,433	-	-
Unavailable Revenues	501,981	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>792,414</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<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)
<b>Total Fund Balances</b>	<b><u>18,204,259</u></b>	<b><u>9,746,946</u></b>	<b><u>32,093,099</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 24,652,281</u></b>	<b><u>\$ 10,004,602</u></b>	<b><u>\$ 32,991,027</u></b>

See accompanying Notes to Financial Statements.

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

	Nonmajor Governmental Funds	Total Governmental 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
 Total Assets	 <u>\$ 6,486,586</u>	 <u>\$ 74,134,496</u>
<b>LIABILITIES, DEFERRED INFLOWS OF 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>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,486,586</u>	<u>\$ 74,134,496</u>

See accompanying Notes to Financial Statements.

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

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

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

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

Land and Other Nondepreciable Assets (Less \$23,636 ISF)	\$ 2,128,636
Buildings, Equipment, Infrastructure, and Other Depreciable Assets (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. (Less \$11,154 and \$8,132 for ISF)

783,371  
(558,604) 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 (Less \$1,635 ISF)	<u>(220,651)</u> <u>(7,797,761)</u>

Total Net Position - Governmental Activities

\$ 67,459,361

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

	<u>General Fund</u>	<u>Severance Tax Fund</u>	<u>Land Grant Fund</u>
<b>REVENUES</b>			
Taxes:			
General and Selective Taxes	\$ 8,024,146	\$ -	\$ -
Income Taxes	2,820,364	-	-
Total Taxes	<u>10,844,510</u>	<u>-</u>	<u>-</u>
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	<u>785,747</u>	<u>-</u>	<u>137</u>
Total Revenues	<u>30,530,269</u>	<u>669,389</u>	<u>2,469,413</u>
<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	<u>49,326</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>23,955,264</u>	<u>-</u>	<u>-</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,575,005</b>	<b>669,389</b>	<b>2,469,413</b>
<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)	<u>(3,176,080)</u>	<u>748,049</u>	<u>972,827</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,398,925</b>	<b>1,417,438</b>	<b>3,442,240</b>
Fund Balance - Beginning	<u>14,805,334</u>	<u>8,329,508</u>	<u>28,650,859</u>
<b>FUND BALANCES - ENDING</b>	<b><u>\$ 18,204,259</u></b>	<b><u>\$ 9,746,946</u></b>	<b><u>\$ 32,093,099</u></b>

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 Governmental Funds	Total Governmental 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	<u>12,269</u>	<u>798,153</u>
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	<u>267,543</u>	<u>958,735</u>
Debt Service:		
Principal	1,800,141	2,017,301
Interest and Other Charges	<u>88,161</u>	<u>137,487</u>
Total Expenditures	<u>2,857,204</u>	<u>26,812,468</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(350,484)</b>	<b>9,363,323</b>
<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>	<b>1,121,292</b>	<b>9,379,895</b>
Fund Balance - Beginning	<u>4,929,120</u>	<u>56,714,821</u>
<b>FUND BALANCES - ENDING</b>	<b><u>\$ 6,050,412</u></b>	<b><u>\$ 66,094,716</u></b>

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)	
<b>Excess of Capital Outlay Over Depreciation Expense</b>	<b>460,249</b>	

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)	
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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)	
<b>Sponge Bonds Principal Payments</b>	<b>1,505,715</b>	<b>442,340</b>

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)	\$ 180	\$ (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)	138,288	(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	26,173		10,240
Change in Net Position of Governmental Activities		\$ 10,037,328	

See accompanying Notes to Financial Statements.

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

**Educational Institutions Fund**

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

**Nonmajor Enterprise Funds**

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

**Internal Service Fund**

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

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

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

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise 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 Activities - Internal Service Funds	
	Educational Institutions	Nonmajor Enterprise 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 (Expenses)	409,921	9,379	419,300	18,335	
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS AND 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>	<b>\$ 2,016,136</b>	<b>\$ 1,057,912</b>	<b>\$ 3,074,048</b>	<b>\$ (263,389)</b>	

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Educational Institutions	Nonmajor Enterprise Funds	Total	
<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 Activities - Internal Service Funds	
	Educational Institutions	Nonmajor Enterprise 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>					
Cash and Cash Equivalents - Beginning of Year	301,292	31,209	332,501	61,929	
	<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 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Loss	\$ (808,038)	\$ (62,984)	\$ (871,022)	\$ (290,530)	
Adjustments to Reconcile Operating Loss to Net Cash 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 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 to Other Funds	(71,558)	40,079	(31,479)	10,708	
Loss Adjustments	-	-	-	-	
Unearned Revenue	<u>16,522</u>	<u>(867)</u>	<u>15,655</u>	<u>-</u>	
Net Cash Provided (Used) by Operating 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 Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private- Purpose Trust Funds	Custodial 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	-	-	-
<b>Total Assets</b>	<b>38,332,858</b>	<b>1,903,597</b>	<b>3,296,453</b>	<b>725,411</b>
<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	-	-	-
<b>Total Liabilities</b>	<b>721,746</b>	<b>43,472</b>	<b>353,257</b>	<b>535,565</b>
<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
<b>Total Net Position</b>	<b>\$ 37,611,112</b>	<b>\$ 1,860,125</b>	<b>\$ 2,943,196</b>	<b>\$ 189,846</b>

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 Other Empl. Benefit Trust Funds	External Investment Trust Funds	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>				
Contributions:				
Employee Contributions	\$ 1,096,774	\$ -	\$ -	\$ -
Employer Contributions	1,490,473	-	-	-
Member Contributions	-	-	352,001	203,276
Other	3,754	-	-	-
<b>Total Contributions</b>	<b>2,591,001</b>	<b>-</b>	<b>352,001</b>	<b>203,276</b>
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	-
<b>Net Investment Income</b>	<b>3,056,896</b>	<b>60,146</b>	<b>217,616</b>	<b>679</b>
Other Additions:				
Taxes from Other Governments	-	-	-	2,774,949
Other Operating Revenues	95,636	-	144,908	13,953
<b>Total Other Additions</b>	<b>95,636</b>	<b>-</b>	<b>144,908</b>	<b>2,788,902</b>
<b>Total Additions</b>	<b>5,743,533</b>	<b>957,935</b>	<b>714,525</b>	<b>2,992,857</b>
<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
<b>Total Deductions</b>	<b>3,407,018</b>	<b>663,121</b>	<b>568,029</b>	<b>3,014,255</b>
<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>	<b>\$ 37,611,112</b>	<b>\$ 1,860,125</b>	<b>\$ 2,943,196</b>	<b>\$ 189,846</b>

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 Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 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	2,107,766
Investments	12,902	1,782,188	-	476,620	-	174,108	2,445,818
Other Noncurrent Assets	-	5,754	-	24,958	268,883	21,716	321,311
Nondepreciable Capital Assets	428	23,239	744	-	-	63,815	88,226
Other Capital Assets, Net	7,915	16,041	2,657	132	218	269,323	296,286
Total Noncurrent Assets	2,581,010	2,204,682	3,401	501,710	362,366	651,783	6,304,952
Total Assets	3,264,222	2,376,981	22,732	520,356	423,069	935,384	7,542,744
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Charge on Refunding	494	124	-	-	-	406	1,024
Deferred Outflows - OPEB	-	-	-	-	-	42,903	42,903
Deferred Outflows - Pension	-	-	-	-	-	99,839	99,839
Total Deferred Outflows of Resources	494	124	-	-	-	143,148	143,766

See accompanying Notes to Financial Statements.

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

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
<b>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	<u>692,751</u>	<u>140,366</u>	<u>15,661</u>	<u>17,556</u>	<u>6,418</u>	<u>68,520</u>	<u>941,272</u>
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	<u>1,534,620</u>	<u>1,946,429</u>	<u>-</u>	<u>113,552</u>	<u>88,674</u>	<u>600,431</u>	<u>4,283,706</u>
Total Liabilities	<u>2,227,371</u>	<u>2,086,795</u>	<u>15,661</u>	<u>131,108</u>	<u>95,092</u>	<u>668,951</u>	<u>5,224,978</u>
<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	<u>1,403</u>	<u>215</u>	<u>-</u>	<u>20,771</u>	<u>-</u>	<u>119,370</u>	<u>141,759</u>
<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)	<u>29,061</u>	<u>(12,875)</u>	<u>3,675</u>	<u>7,025</u>	<u>101,380</u>	<u>(145,135)</u>	<u>(16,869)</u>
Total Net Position	<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**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	New Mexico Finance Authority	New Mexico Mortgage Finance Authority	New Mexico Lottery Authority	University of New Mexico Foundation	New Mexico State University Foundation	Nonmajor Component Units	Total
<b>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>	<u>82,363</u>	<u>105,603</u>	<u>119,201</u>	<u>16,829</u>	<u>27,198</u>	<u>354,130</u>	<u>705,324</u>
<b>INCOME (LOSS) BEFORE OTHER REVENUE 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	<u>789,487</u>	<u>121,274</u>	<u>7,068</u>	<u>324,148</u>	<u>300,334</u>	<u>164,053</u>	<u>1,706,364</u>
<b>NET POSITION - ENDING</b>	<u><b>\$ 1,035,942</b></u>	<u><b>\$ 290,095</b></u>	<u><b>\$ 7,071</b></u>	<u><b>\$ 368,477</b></u>	<u><b>\$ 327,977</b></u>	<u><b>\$ 290,211</b></u>	<u><b>\$ 2,319,773</b></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:

	Fiscal Agent Account
Cash in Bank *	\$ 2,556,506
Less: FDIC Insurance Coverage	6,059
Total Uninsured Public Funds	<u><u>2,550,447</u></u>
Collateral Requirement (50% - 102% of Uninsured Public Funds)	\$ 1,367,238
Collateral Pledged:	
U.S. Government Securities	157,340
Surety Bond	3,448,062
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 Custodial Credit Risk (Expressed in Thousands)	Balance at June 30, 2024
Cash in Banks		\$ 255,471
Less: Deposit of Institutions Which are Fully Insured and Collateralized		-
Deposits of Institutions Not Fully Collateralized		255,471
Less: FDIC Insurance Coverage Uninsured Deposits		-
		255,471
Collateral Pledged:		
Surety Bond		121,746
Securities		80,000
Total Collateral Pledged		<u>201,746</u>
Subject to Custodial Credit Risk		<u>\$ 53,725</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 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	(935,201)
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 AAA 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)**

Investment	State of New Mexico Fair Value of Investments (Expressed in Thousands)			
	Fair Value June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs 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 June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs Level 3)
<b>Investments by Fair Value Level (Continued):</b>				
Alternative Investments:				
Master Limited Partnerships	\$ 256,213	\$ 256,213	\$ -	\$ -
Total Alternative Investments	256,213	256,213	-	-
Investments in Derivative Instruments:				
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	<u>16,329</u>	<u>5,877</u>	<u>10,452</u>	<u>-</u>
Total Investments Measured at Fair Value	66,318,315	<u>\$ 32,421,994</u>	<u>\$ 33,492,353</u>	<u>\$ 403,968</u>
 <b>Investments Measured at Net Asset Value (NAV):</b>				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
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, Quarterly, Semi- 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/ Annually/Rolling 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 June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>Investments Measured at Net Asset Value (NAV) (Continued):</b>				
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	<u>37,220,933</u>	<u>\$ 12,454,922</u>		
<b>Investments Measured at Amortized Cost:</b>				
Flexible Repurchase Agreements	56,037			
Money Market Mutual Funds	50,601			
Commercial Paper	2,474			
STO - LGIP	20			
Investments at Amortized Cost	<u>109,132</u>			
<b>Investments Measured at Contract Value:</b>				
Stable Value Options (Def. Comp.)	120,489			
Guaranteed Investment Account	123,499			
Investments at Contract Value	<u>243,988</u>			
<b>Other Investments:</b>				
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	<u>42,726</u>			
Total Separately-Held Investments	<u><u>\$ 103,935,094</u></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-IA of the Investment Company Act of 1940. Form N-IA discloses information and policies about the Underlying Fund and its investment objectives, as well as information on the company structure and operations. In addition, the Program Disclosure Statement and the Participation Agreement provide greater detail about the credit risk, if any, by certain nonregistered underlying Investments.

The quality ratings of investments in fixed income securities at June 30, 2024, were as follows:

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

Investment	Rating	Fair Value
<b>Investments Subject to Credit Risk - S&amp;P</b>		
<b>Ratings:</b>		
Government Bonds	AA+	\$ 10,272,020
	AA	6,707
	A+	6,405
	A	6,865
	BBB+	1,732
	BBB	38,595
	BBB-	10,170
	BB+	23,143
	BB	18,131
	BB-	7,903
	B+	4,594
	B	2,959
	B-	7,380
	CCC+	2,394
	CCC	4,399
	CC	962
	Not Rated	229

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**3. Credit Risk (Continued)**

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

Investment	Rating	Fair Value
<b>Investments Subject to Credit Risk - S&amp;P</b>		
<b>Ratings (Continued):</b>		
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
Agency Securities (GSEs)	Not Rated	101,405
	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
<b>Investments Subject to Credit Risk - S&amp;P</b>		
<b>Ratings (Continued):</b>		
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)*

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>
<b>Investments Subject to Credit Risk - S&amp;P</b>		
<b>Ratings (Continued):</b>		
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
<b>Investments Subject to Credit Risk - S&amp;P Ratings (Continued):</b>		
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		
U.S. Government Agencies		
Corporate Debt Securities		
	Not Rated	18,724
	Not Rated	4,573
	BBB-	650
<b>Total Subject to Risk - S &amp; P Ratings</b>		
		<b><u>30,881,234</u></b>
Total Investments Subject to Credit Risk		
Investments Not Subject to Credit Risk		
Add: Education Trust Board Investments (Presented in Separate Note)		
Information Not Available		
<b>Total Separately-Held Investments</b>		
		<b><u>\$ 103,935,094</u></b>

**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 %
	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
	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 %
	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 Ultra 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
	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 Ultra 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 Maturities on Investments (Expressed in Thousands)						
Investment	Fair Value	< 1 Year	1-5 Years	6-10 Years	> 10 Years	Total
<b>Investments Subject to Interest</b>						
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						
Information Not Available	71,817,699					
Add: Education Trust Board (Presented in Separate Note)	236,084					
		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 Maturities on Investments					
Investment	< 1 Year	1-5 Years	6-10 Years	Fair Value (In Thousands)	
<b>The Scholar's Edge:</b>					
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	
<b>The Education Plan:</b>					
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:

Foreign Currency	State of New Mexico Foreign Currency Risk International Investment Securities at Fair Value (Expressed in Thousands)						Cash and Cash Equivalents
	Equity	Fixed Income	Vent. Cap., Pref. Stk., Rts., REITs, Ptshps., Wrnts.	Derivatives	Total Investments		
Argentine Peso	\$ 348,755	-	\$ -	\$ -	\$ 348,868	\$ 394	1
Australian Dollar	30	85	-	28	30	4	
Botswana Pula	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	
<b>Subtotal</b>	<b>\$ 9,832,711</b>	<b>\$ 86,430</b>	<b>\$ 1,308,479</b>	<b>\$ 1,442</b>	<b>\$ 11,229,062</b>	<b>\$ 84,855</b>	
Total Investments and Cash and Cash Equivalents Subject to Foreign Currency Risk							
Investments Not Subject to Foreign Currency Risk							
Total Separately-Held Investments							

**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:

Derivative Type	Change in Fair Value		Fair Value	Notional Amount	Unit of Value
<b>Futures Contracts:</b>					
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
<b>Swap Contracts:</b>					
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 June 30, 2024
Commodity Futures		\$ 3,641
Commodity Futures - Short		(1)
Futures Contracts		38,700
Index Futures		223

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives (Continued)**

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

Derivative Type	Classification	Gain/Loss	Classification	Amount
Commodity Futures - Long	Investment Income	\$ 778	Investment	\$ -
Commodity Futures - Short	Investment Income	(101)	Investment	-
Fixed Income Futures - Long	Investment Income	(1,223)	Investment	-
Index Futures - Long	Investment Income	22,977	Investment	-
Index Futures - Short	Investment Income	3	Investment	-

**Types of Derivative Instruments:**

**Risk**

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

**Futures Contracts**

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives (Continued)**

Types of Derivatives Instruments (Continued)

**Options**

An option is a contract in which the writer of the option grants the buyer of the option the right to purchase from (call option), or sell to (put option) the writer a designated instrument at a specified price within a specified period. Both written and purchased options were used by the State during the fiscal year. When the State purchases or writes an option, an amount equal to the premium paid or received by the State is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Gain or loss is recognized when the option contract expires or is closed. As of June 30, 2024, there were no open written or purchased options.

**Swap Contracts**

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

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

**NOTE 3 INVESTMENTS (CONTINUED)**

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

**8. Derivatives (Continued)**

Types of Derivatives Instruments (Continued)

**Hedge Funds**

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

**Asset-Backed Securities**

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

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

**Fair Value**

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

Investment	Fair Value June 30, 2024	State of New Mexico Discretely Presented Component Units Fair Value of Investments (Expressed in Thousands)			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Quoted Prices in Active Markets for Identical Assets (Level 1)				
<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	-	-	-	-
<b>Total Equity Securities</b>	<b>642,812</b>	<b>557,071</b>	<b>78,789</b>	<b>-</b>	<b>6,952</b>	
<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	-	-	-
<b>Total Debt Securities</b>	<b>2,620,961</b>	<b>2,585,036</b>	<b>35,925</b>	<b>-</b>	<b>-</b>	
<b>Total Investments Measured At Fair Value</b>	<b>3,263,773</b>	<b>\$ 3,142,107</b>	<b>\$ 114,714</b>	<b>\$ 6,952</b>		

**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 June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>Investments Measured at Net Asset Value (NAV):</b>				
Alternative Investments	\$ 23,406	\$ -	Monthly/Quarterly/Annually/Rolling 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 on Anniversary	95 days
		-	Three Series of Shares	60 days
	1,973	-	Weekly	5 days
	4,008	-	None	None
	621	9	After Lockup, Quarterly Within	45 days
	3,196	-	45 Days Notice	75 days
		-	After Lockup, Quarterly Within	75 Days Notice
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
<b>Total Investments Measured at NAV</b>	<b>424,417</b>			
<b>Investments Measured at Amortized Cost:</b>				
Money Market Funds in Endowment Pools	<u>11,601</u>			
<b>Total Investments, Discretely-Presented Components</b>	<b>\$ 3,699,791</b>			

**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 Discretely Presented Component Units Quality Ratings (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><u>1,368,080</u></u>
Total Subject to Credit Risk		1,368,080
Total Not Subject to Credit Risk		1,078,830
Information Not Available		<u><u>1,252,881</u></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:

Investment Type	Fair Value	Investment Maturities (in Years)					Life Not Available
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years		
<b>Investments Subject to Interest Rate Risk:</b>							
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 Interest Rate Risk	<u>2,612,406</u>	<u>\$ 55,042</u>	<u>\$ 581,560</u>	<u>\$ 7,479</u>	<u>\$ 1,306,066</u>	<u>\$ 662,259</u>	
<b>Investments Not Subject to Interest Rate Risk</b>							
Information Not Available	1,078,830						
	<u>8,555</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 4 RECEIVABLES**

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

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

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

**NOTE 4 RECEIVABLES (CONTINUED)**

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

**Leases Receivable**

The following are schedules of the future minimum payments for leases receivable as of June 30, 2024 (expressed in thousands):

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

**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**

	<u>NM Finance Authority</u>	<u>NM Mortgage Fin. Auth</u>
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 In	Transfers 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
<b>Subtotal</b>	<b>1,005,657</b>	<b>886,322</b>	<b>12,678,195</b>	<b>14,146,445</b>
<b>Asset Transfers (Government-Wide Level):</b>				
General	-	-	58,823	4,825
Capital Projects	-	-	-	85,230
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>58,823</b>	<b>90,055</b>
<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
<b>Total Business-Type Activities</b>	<b>53,029</b>	<b>172,364</b>	<b>1,664,581</b>	<b>165,099</b>
<b>Total</b>	<b>\$ 1,058,686</b>	<b>\$ 1,058,686</b>	<b>\$ 14,401,599</b>	<b>\$ 14,401,599</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 Balance	Additions	Deletions	Reclass	Transfers	Ending 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
<b>Total</b>	<b><u>\$ 528,131</u></b>

**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 Balance	Additions	Deletions	Reclass	Transfers	Ending 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	<u>688,646</u>	<u>314,689</u>	<u>(18,697)</u>	<u>(131,740)</u>	<u>-</u>	<u>852,898</u>
Capital and Right-to-Use Assets Being 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	<u>6,135,019</u>	<u>147,903</u>	<u>(54,443)</u>	<u>131,740</u>	<u>-</u>	<u>6,360,219</u>
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	<u>(3,616,956)</u>	<u>(231,341)</u>	<u>36,281</u>	<u>-</u>	<u>-</u>	<u>(3,812,016)</u>
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	<u>2,518,063</u>	<u>(83,438)</u>	<u>(18,162)</u>	<u>131,740</u>	<u>-</u>	<u>2,548,203</u>
Total Business-Type Activities Capital Assets, Net	<u><u>\$ 3,206,709</u></u>	<u><u>\$ 231,251</u></u>	<u><u>\$ (36,859)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,401,101</u></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 Balance	Additions	Deletions	Reclass	Transfers	Ending 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
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,824</b>	<b>8,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,777</b>
Capital and Right-to-Use Assets Being 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
<b>Subtotal</b>	<b>47,573</b>	<b>2,715</b>	<b>(462)</b>	<b>-</b>	<b>-</b>	<b>49,826</b>
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)
<b>Subtotal</b>	<b>(34,328)</b>	<b>(1,851)</b>	<b>462</b>	<b>-</b>	<b>-</b>	<b>(35,717)</b>
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net						
<b>Total Fiduciary Funds Capital Assets, Net</b>	<b>\$ 16,069</b>	<b>\$ 9,817</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,886</b>

**STATE OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 Balance	Additions	Deletions	Reclass	Transfers	Ending 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 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)
Subtotal	<u>335,388</u>	<u>103,884</u>	<u>(39,557)</u>	<u>-</u>	<u>(216)</u>	<u>399,499</u>
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	<u>(89,706)</u>	<u>(24,028)</u>	<u>10,305</u>	<u>-</u>	<u>216</u>	<u>(103,213)</u>
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	<u>245,682</u>	<u>79,856</u>	<u>(29,252)</u>	<u>-</u>	<u>-</u>	<u>296,286</u>
Total Component Units Capital Assets, Net	<u><u>\$ 336,361</u></u>	<u><u>\$ 102,570</u></u>	<u><u>\$ (54,419)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 384,512</u></u>

**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><u>\$ 15,903</u></u>	<u><u>\$ 7,591</u></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 Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-Term Debt
<b>Governmental Activities:</b>						
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	<u><u>3,027,859</u></u>	<u><u>-</u></u>	<u><u>(508,003)</u></u>	<u><u>2,519,856</u></u>	<u><u>418,984</u></u>	<u><u>2,100,872</u></u>
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	<u><u>983,923</u></u>	<u><u>990,372</u></u>	<u><u>(715,120)</u></u>	<u><u>1,259,175</u></u>	<u><u>396,970</u></u>	<u><u>862,205</u></u>
Total Governmental Long-Term Liabilities	<u><u>\$ 4,011,782</u></u>	<u><u>\$ 990,372</u></u>	<u><u>\$ (1,223,123)</u></u>	<u><u>\$ 3,779,031</u></u>	<u><u>\$ 815,954</u></u>	<u><u>\$ 2,963,077</u></u>

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

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

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-Term 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
<b>Total Business-Type Long-Term Liabilities</b>	<b>\$ 1,339,341</b>	<b>\$ 262,417</b>	<b>\$ (205,420)</b>	<b>\$ 1,396,338</b>	<b>\$ 229,122</b>	<b>\$ 1,167,216</b>
<b>Fiduciary:</b>						
<b>Pension Trust Funds:</b>						
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	-
<b>Total Fiduciary Long-Term Liabilities</b>	<b>\$ 27,621</b>	<b>\$ 2,985</b>	<b>\$ (4,293)</b>	<b>\$ 26,313</b>	<b>\$ 2,161</b>	<b>\$ 24,152</b>
<b>Component Units:</b>						
<b>Revenue Bonds</b>						
Bond Premium, Discount, Net	\$ 2,987,972	\$ 762,686	\$ (229,515)	\$ 3,521,143	\$ 165,208	\$ 3,355,935
Subtotal	241,970	9,885	(276)	251,579	42,639	208,940
	3,229,942	772,571	(229,791)	3,772,722	207,847	3,564,875
<b>Compensated Absences</b>						
Notes Payable	2,160	1,353	(1,248)	2,265	2,265	-
Loans Payable	228,459	1,273,460	(1,309,660)	192,259	79,103	113,156
Lease Liabilities	207	-	(207)	-	-	-
Subscription Liabilities	49,651	25,509	(40,183)	34,977	9,119	25,858
Subtotal	717	1,465	(2,029)	153	108	45
<b>Total Component Unit Long-Term Liabilities</b>	<b>\$ 281,194</b>	<b>\$ 1,301,787</b>	<b>\$ (1,353,327)</b>	<b>\$ 229,654</b>	<b>\$ 90,595</b>	<b>\$ 139,059</b>
	<b>\$ 3,511,136</b>	<b>\$ 2,074,358</b>	<b>\$ (1,583,118)</b>	<b>\$ 4,002,376</b>	<b>\$ 298,442</b>	<b>\$ 3,703,934</b>

**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:

<b>General Obligation Bonds Payable</b> (Expressed in Thousands)						
<b>Bond Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Balance June 30, 2024</b>	<b>Due in One Year</b>
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>

<b>General Obligation Bond Premium Outstanding</b> (Expressed in Thousands)						
<b>Bond Issue</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Balance June 30, 2024</b>	<b>Due in One Year</b>
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)*

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
<b>Total</b>	<b><u>\$ 447,170</u></b>	<b><u>\$ 87,904</u></b>	<b><u>\$ 535,074</u></b>

**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					\$ 1,091,095	\$ 166,340

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					\$ 87,732	\$ 23,837

**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  
 Debt Service Requirements to Maturity  
*(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
<b>Total</b>	<b><u>\$ 1,091,095</u></b>	<b><u>\$ 214,918</u></b>	<b><u>\$ 1,306,013</u></b>

**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):

	Beginning Balance	Issued	Redeemed	Ending Balance
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**

Bond Issue	Revenue Bonds and Loans Payable - Primary Government (Expressed in Thousands)					Balance June 30, 2024	Due in One Year
	Original Issue	Maturity Date	Interest Rate				
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, Governmental Activities				\$ 737,705	\$ 96,539		

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

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

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

**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)*

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

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				<u>\$ 992,280</u>	<u>\$ 66,117</u>

**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
<b>Total</b>	<b>\$ 633,108</b>	<b>\$ 214,783</b>	<b>\$ 847,891</b>

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)*

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

**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)**

***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:

***General Services Department***

State facilities acquisition and development.

\$ 147.4 million

Government gross receipts tax, cigarette tax.

\$ 170.8 million

Through June 30, 2043

\$ 8.1 million

\$ 7.3 million

**Business-Type Activities**

***Agency:***

Purpose of Bonds:

Total Amount of Bonds Issued:

Type of Revenues Pledged:

Total Debt Service Remaining:

Term of Commitment:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Miners' Colfax Medical Center***

Improvement and expansion of medical facilities

\$ 14.6 million

Center's share of distributions from the State Land Grant and the Charitable, Penal, and Reform Permanent Funds

\$ 3.8 million

Through June 30, 2027

\$ 10.2 million

\$ 1.2 million

***Agency:***

Purpose of Bonds:

Total Amount of Bonds Issued:

Type of Revenues Pledged:

Total Debt Service Remaining:

Term of Commitment:

Revenue Stream for Current Year:

Debt Service for Current Year:

***Educational Institutions (UNM, NMSU, ENMU, WNMU, NMMI, NMHU, NM Tech)***

Construction and improvement of various capital facilities

\$ 1.1 billion

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.

\$ 1.4 billion

Through June 30, 2053

\$ 758.7 million

\$ 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  
(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
<b>Total</b>	<b>\$ 539,312</b>	<b>\$ 74,673</b>	<b>\$ 613,985</b>

**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
<b>Total</b>	<b>\$ 55,587</b>	<b>\$ 7,573</b>	<b>\$ 63,160</b>

**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
<b>Total</b>	<b>\$ 4,286</b>	<b>\$ 494</b>	<b>\$ 4,780</b>

**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
<b>Total</b>	<b>\$ 649</b>	<b>\$ 9</b>	<b>\$ 658</b>

\* 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
<b>2030 - 2034</b>	<b>2,268</b>	<b>137</b>	<b>2,405</b>
<b>Total</b>	<b>\$ 20,290</b>	<b>\$ 98,450</b>	<b>\$ 118,740</b>

**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
<b>2030 - 2034</b>	<b>5,468</b>	<b>308</b>	<b>5,776</b>
<b>Total</b>	<b>\$ 43,259</b>	<b>\$ 3,164</b>	<b>\$ 46,423</b>

**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
<b>Total</b>	<b>\$ 454</b>	<b>\$ 47</b>	<b>\$ 501</b>

**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
<b>Total</b>	<b>\$ 1,420</b>	<b>\$ 36</b>	<b>\$ 1,456</b>

**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  
Conduit Debt  
(Expressed in Thousands)

	<u>Balance</u>	<u>June 30, 2024</u>
Hospital Revenue Bonds and Leases:		
Dialysis Clinic, Inc. Project, Series 2000	\$ 5,000	
Lovelace Women's Hospital, Series 2007	12,617	
Presbyterian Healthcare Services, Series 2008 A - D	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 Balance	Additions	Deletions	Ending 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
<b>Total Pollution Remediation Liabilities</b>	<b>\$ 53,733</b>	<b>\$ 7,037</b>	<b>\$ (2,434)</b>	<b>\$ 58,336</b>

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

**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 Rights Settlement	Disbursed To Date	Balance, June 30, 2024
Aamodt	\$ 86,200	\$ 18,300
Taos	14,596	5,453
Navajo	30,949	-
<b>Total</b>	<b>\$ 131,745</b>	<b>\$ 23,753</b>

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

**J. University of New Mexico**

**Standby Purchase Agreements**

Standby Purchase Agreements provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees are based on a percentage of the outstanding bond balance, payable semiannually. Liquidity fees for the years ended June 30, 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 Expiration	Series 2001	Series 2002B	Series 2002C	Grand 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/ Counter-Party	Type	Objective	Effective Date	Maturity Date	Terms	Current Fair Value	Current Notional Amount
<b>Hedging Derivatives:</b>							
A - JP Morgan	'Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	\$ (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 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 Ending June 30,	Principal	Interest	Net	Hedging Derivative Instruments, 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><u>\$ 29,230</u></u>	<u><u>\$ 2,504</u></u>	<u><u>\$ 579</u></u>	<u><u>\$ 32,313</u></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  
Debt Service Requirements to Maturity  
(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
<b>Total</b>	<b>\$ 5,830</b>	<b>\$ 461</b>	<b>\$ 6,291</b>

NMSU issued a tax-exempt Subordinate Lien Improvement Revenue Note, Series 2014 on April 21, 2014 in a direct purchase with BOKF, NA dba Bank of Albuquerque. The original principal amount of the note was \$15.9 million, and the interest rate is 3.07%. The note is payable solely from, and secured by, a pledge of, and a 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 Rate (%)	Maturity Date	Original Issue	Balance 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			<u>1,520,995</u>	<u>1,035,105</u>
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			<u>602,760</u>	<u>342,865</u>
Total Public Project Revolving Fund and Total Bonds Outstanding			<u>\$ 2,123,755</u>	<u>1,377,970</u>
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 Rate (%)	Maturity Date	Balance, September 30, 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			1,923,448
Unaccreted Bond Premium/ Discount, Net			57,257
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:

Note	Balance September 30, 2024	Debt Service Requirements to Maturity (Expressed in Thousands)			
		Fiscal Year Ending 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	<u>57,000</u>	2027	908	249	1,157
Subtotal	<u>66,209</u>	2028	941	215	1,156
Other Direct Borrowings Without Assets Pledged	-	2029	976	178	1,154
Total Direct Borrowings	<u><u>\$ 66,209</u></u>	2030 - 2034	4,022	328	4,350
		2035 - 2039	371	25	396
		2040 - 2044	269	6	275
		Total	\$ 66,209	\$ 1,884	\$ 68,093

The borrowings were made to raise capital to help fund the Primero Loan Program, which provides loans for nonprofit, public or tribal agency sponsored affordable

The Authority also has an unused line of credit in the amount of \$2.5 million as of September 30, 2022

Details of the Mortgage Finance Authority Notes Payable follows:

Fiscal Year Ending September 30,	Bonds Payable			Debt Service Requirements to Maturity		
	New Mexico Finance Authority (Expressed in Thousands)		New Mexico Mortgage Finance Authority (Expressed in Thousands)			
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)*

Fiscal Year Ending September 30,	Principal	Interest	Total
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
<b>Total Nonspendable</b>	<b>\$ 64,075</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 66,075</b>
<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
<b>Total Restricted</b>	<b>\$ 17,308,336</b>	<b>\$ 9,746,944</b>	<b>\$ 32,093,101</b>	<b>\$ 1,047,916</b>	<b>\$ 5,008,094</b>	<b>\$ 6,437</b>	<b>\$ 65,210,828</b>

**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
<b>Total Committed</b>	<b>\$ 219,306</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20</b>	<b>\$ 2,500</b>	<b>\$ 221,826</b>
<b>Assigned:</b>							
Health and Human Services	\$ 161,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,167
Judicial	1,573	-	-	-	-	-	1,573
Regulation and Licensing	6,267	-	-	-	-	-	6,267
<b>Total Assigned</b>	<b>\$ 169,007</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 169,007</b>
<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
<b>Total Unassigned</b>	<b>\$ 443,535</b>	<b>\$ 2</b>	<b>\$ (2)</b>	<b>\$ (7,996)</b>	<b>\$ (8,561)</b>	<b>\$ 2</b>	<b>\$ 426,980</b>

**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>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**

	<b>Net Position - Business-Type Activities</b>	<b>Educational Institutions</b>	<b>Nonmajor Enterprise</b>
<b>Business-Type Activities:</b>			
Beginning Net Position, as Previously Reported	\$ 1,934,108	\$ 897,657	\$ 1,036,451
Adjustments	<u>61,769</u>	-	<u>61,769</u>
Beginning Net Position, 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 Balance	Incurred (Net of Actuarial Provision)	Payments	Ending Balance	Current 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
<b>Total</b>	<b><u>\$ 235,938</u></b>	<b><u>\$ 770,611</u></b>	<b><u>\$ (528,540)</u></b>	<b><u>\$ 478,009</u></b>	<b><u>\$ 236,635</u></b>

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

\* Note: PERA Retirement Fund includes the Legislative Fund

**B. Funding and Benefit Policies**

Public Employees Retirement System (PERS)

This plan is a cost-sharing, multiemployer defined benefit pension plan with six divisions of members: State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10-11-3, NMSA 1978.) Except as provided for in the Volunteer Firefighter Retirement Act (Chapters 10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (Chapters 10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (Chapters 10-12C-1 to 10-12C-18, NMSA 1978), the Educational Retirement Act (Chapter 22-11, NMSA 1978), and the provisions of Chapters 29-4-1 through 29-4-11, NMSA 1978, governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

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

**NOTE 11 PENSION PLANS (CONTINUED)**

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

Public Employees Retirement System (PERS) (Continued)

Senate Bill 72:

- Increases employer and employee contributions each year by .5% for State General Plan employees for fiscal year 2021, 2022, 2023 and 2024, excludes State Police and Adult Correctional Officer Plan 1 and active members with wages under \$25,000.
- For three fiscal years replaced the current compounding annual 2% COLA with a 2% non-compounding additional payment (13th check) and beginning July 1, 2023, changing to a profit sharing COLA tied to investment performance and PERA's total funded ratio.

Effective July 1, 2019, House Bill 501 increased employer contributions by 0.0025% for funds under the Public Employees Retirement Act.

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for Tier I members (as defined later in these notes). Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of normal retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and nonduty death and disability and for postretirement survivors' annuities are also available. A blended pension benefit is equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan with different pension factors, for service credit earned after July 1, 2013.

**Cost-of-living adjustment (COLA)**

- Eligible retired members will receive a 4% COLA.
- Graduated COLA eligibility period for those who retire:
  - Before June 30, 2014: no change to current two full-calendar years after retirements to receive a COLA;
  - Between July 1, 2014 and June 30, 2015: two full-calendar year eligibility period to receive a COLA;
  - Between July 1, 2015 and June 30, 2016: four full-calendar year eligibility period to receive a COLA; and
  - After July 1, 2016: seven full-calendar year eligibility period to receive a COLA
- No change in one-year COLA eligibility for disability retirees or retirees age 65 or older.

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

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

**Public Employees Retirement System (PERS) (Continued)**

For Tier II, the retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (applicable to those hired after July 1, 2013 – Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credits equals at least 85, or at 65 with five or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4, and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers, and municipal juvenile detention officers will remain in 25-year retirement plans; however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with five or more years of service credit. Generally, under Tier II, pension factors were reduced by 0.5%. The computation of final average salary increased as the average salary for 60 consecutive months.

Contribution rates for members vary depending on the plan under PERS. Employee contribution rates range from 4.78% to 18.15% of annual salary, and employer rates range from 7.0% to 26.12%. Generally, Tier I regular state members contribute 7.42% to 8.92%, while employers contribute 17.24%.

**CHANGES FOR RETIREES**

**Cost-of-living adjustment (COLA)**

- Reduces the COLA from 3% to 2% except for:
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$20,000.

**CHANGES FOR RE-EMPLOYED RETIREES**

**Cost-of-living adjustment (COLA)**

- Suspends the COLA for grandfathered return-to-work retirees during reemployment with PERA-affiliated employers or retirees employed by entities covered by the Education Retirement Act.

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

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

**Judicial Retirement Fund (Continued)**

Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. Members contribute at a rate of 10.5% of their salaries and the member's court contributes at a rate of 15% of the member's salary. Additionally, the district court contributes \$38 for each civil case docket fee paid in the district court, \$25 from each civil docket fee paid in metropolitan court, and \$10 (not in thousands) for each jury fee paid in metropolitan court. Contribution rates are established by State statute. Various other changes took place under House Bill 33 which amended the Judicial Retirement Act. Senate Bill 122, which is effective from 2021 until fiscal year 2026 the Judicial Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

**Magistrate Retirement Fund**

This plan is a single employer defined benefit pension plan. Eligibility for membership in the Magistrate Retirement Fund is set forth in Chapter 10-12C-4, NMSA 1978. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Magistrate Retirement plan. Every magistrate becomes a member in the Magistrate Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Benefits are available at age 64 or older to any member having served as a magistrate for a minimum of five years. Retirement is available at age 60 to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The annual pension amount is determined by multiplying 75.0% of the salary received during the last year in office prior to retirement by 5.0% of the number of years of service, not exceeding 15 years, plus five years.

The retirement age and service credit requirements for normal retirement for magistrate members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 216 Substitute in the 2014 Legislative Session. Under the new requirements, magistrates are eligible to retire at age 65 with eight or more years of service, at age 60 with 15 or more years of service credit or at any age with 24 years of service credit.

Effective July 1, 2014, membership is mandatory, all magistrate pension factors were reduced, employee contributions increased 3%, and the computation of final average salary increased as the average of salary for the 60 consecutive months prior to retirement. Employer contributions increased by 4% effective July 1, 2015. In addition, cost-of-living increases were suspended for two consecutive fiscal years, and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

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

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

Magistrate Retirement Fund (Continued)

Member contributions are based on 10.5% of salaries and the State, through the administrative office of the courts, contributes at a rate of 11% of the member's salary. Beginning July 1, 2015, the employer contributions increased to 15% of the member's salary. Additionally, the magistrate or metropolitan courts contribute \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid in magistrate court. Contribution rates are established by State statute. Certain other changes took place under House Bill 216 and amended the Magistrate Retirement Act. Senate Bill 122, which is effective from 2021 until fiscal year 2026 the Magistrate Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

Volunteer Firefighters Retirement Fund

This plan is a single employer defined benefit pension plan with a special funding situation. Eligibility for membership in the Volunteer Firefighters Retirement Fund is set forth in Chapter 10-11A-2, NMSA 1978. Any volunteer non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements set forth in the statute is eligible for membership in the Volunteer Firefighters Retirement Fund. Benefits are available at age 55 or older to any member having served as a volunteer firefighter for a minimum of 10 years. Benefits are \$125 per month, as of July 1, 2013, with at least 10 but less than 25 years of service or \$250 per month with 25 or more years of service. Benefits for postretirement surviving spouse annuities are also available. Members of the Volunteer Firefighters Retirement Fund do not make individual contributions to the plan. State statutes require that the State Treasurer transfer \$750,000 during the fiscal year from the Fire Protection Fund to the Volunteer Firefighters Retirement Fund.

Educational Employees' Retirement System (EERS)

The New Mexico Educational Retirement Board (ERB) was created by the Educational Retirement Act, Chapters 22-11-1 to 22-11-52, NMSA 1978, as amended, to administer and have the responsibility for operating the Educational Employees' Retirement Plan. ERB is an agency of the State. The plan administered by ERB is considered part of the State financial reporting entity and is a pension trust fund of the state.

This plan is a cost-sharing, multiemployer pension plan established by statute and administered by ERB to provide retirement, disability, and death benefits for all certified teachers and other employees of the State's elementary, secondary, and higher educational institutions, junior colleges, and technical-vocational institutions. Employees who are employed more than 25% of a full-time equivalency are required to be members of the Plan, unless specifically excluded.

**STATE OF NEW MEXICO  
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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  
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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  
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**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  
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**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**  
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**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 Employees Retirement System	PERA-Judicial Retirement System	PERA-Magistrate Retirement System	PERA-Volunteer Firefighters Retirement System	ERB-Educational Employees Retirement System
Total Pension Liability	\$ 26,323,061	\$ 237,124	\$ 73,994	\$ 53,126	\$ 26,286,205
Plan's Fiduciary Net Position	<u>(17,372,001)</u>	<u>(116,500)</u>	<u>(33,184)</u>	<u>(85,426)</u>	<u>(17,498,210)</u>
Net Pension Liability (Asset)	<u><u>\$ 8,951,060</u></u>	<u><u>\$ 120,624</u></u>	<u><u>\$ 40,810</u></u>	<u><u>\$ (32,300)</u></u>	<u><u>\$ 8,787,995</u></u>
Percentage of Fiduciary Net Position to Total Pension Liability	<u><u>66.00 %</u></u>	<u><u>49.13 %</u></u>	<u><u>44.85 %</u></u>	<u><u>160.80 %</u></u>	<u><u>66.57 %</u></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
Amortization Period	25 Years	25 Years	25 Years	25 Years	Closed 30 Years
Asset Valuation Method					5-Year Smoothed Market
Actuarial Assumptions:					
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%	7%
Payroll Growth	3.00%	3.00%	3.00%	N/A	-
Projected Salary Increases	3.25%-13.50%	3.25 %	3.25 %	N/A	2.30% Inflation, plus .70% Prod, Inc.
Includes Inflation At	2.50%	2.50%	2.50%	2.50%	2.30 %
Mortality Assumption	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25 %	5.54 %	5.84 %	7.25 %	7.00 %
Municipal Bond Rate	-	3.97 %	3.97 %	-	-

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**  
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**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%	Current	1%
	Decrease (6.25%)	Discount Rate (7.25%)	Increase (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>			
Judicial	<u>(4.68%)</u> <u>\$ 147,080</u>	<u>(5.68%)</u> <u>\$ 120,624</u>	<u>(6.68%)</u> <u>\$ 98,351</u>
Volunteer Firefighters	<u>(6.25%)</u> <u>\$ (26,420)</u>	<u>(7.25%)</u> <u>\$ (32,300)</u>	<u>(8.25%)</u> <u>\$ (37,216)</u>
Magistrate	<u>(4.82%)</u> <u>\$ 49,089</u>	<u>(5.82%)</u> <u>\$ 40,810</u>	<u>(6.82%)</u> <u>\$ 33,925</u>
ERB	<u>(6.00%)</u> <u>\$ 11,805,547</u>	<u>(7.00%)</u> <u>\$ 8,787,995</u>	<u>(8.00%)</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  
All Systems

Asset Class	Target Allocation	Long-Term Expected Rate of 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	<u>100.00 %</u>	

**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 Target<sup>1</sup></u>
<b>Equities:</b>		
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	<u>16.9</u>	<u>18.0</u>
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	<u>6.3</u>	<u>8.0</u>
Total Alternatives	<u>50.9</u>	<u>47.0</u>
Cash	<u>1.7</u>	<u>1.0</u>
<b>Total</b>	<b><u>100.0 %</u></b>	<b><u>100.0 %</u></b>

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 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 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):

Year Ending June 30,	Governmental		Business-Type	
	Amount	Year Ending June 30,	Amount	Year Ending June 30,
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	-
<b>Total</b>	<b>\$ 3,692</b>	<b>\$ (8,773)</b>

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**  
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**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	-
<b>Total</b>	<b>\$ 2,312</b>	<b>\$ (5,908)</b>	<b>\$ 269,032</b>	<b>\$ (445,360)</b>

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**  
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**NOTE 11 PENSION PLANS (CONTINUED)**

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

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

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:				
PERA - State Divisions	\$ -	\$ 4,006,928	\$ 663,131	\$ (89,843)
PERA - Judicial	-	109,880		
PERA - Magistrate	-	40,719		
PERA - Volunteer Firefighters	(28,176)	-		
ERB	-	20,171		
Total Governmental Activities	(28,176)	4,177,698	669,135	(104,524)
Business-Type Activities :				
PERA - State Divisions	-	88,509	12,621	(1,873)
ERB	-	2,225,358	269,033	(445,360)
Total Business-Type Activities	-	2,313,867	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  
 Employer Reporting  
 Sensitivity of the Net Pension Liability to  
 Changes in the Discount Rate  
*(Expressed in Thousands)*

Net Pension Liability	1%	Current	1%
	Decrease (6.25%)	Discount Rate (7.25%)	Increase (8.25%)
State-Funded Divisions	<u>\$ 5,446,482</u>	<u>\$ 4,095,437</u>	<u>\$ 2,971,379</u>
Single-Employer Funds:			
Judicial	<u>(4.54%)</u>	<u>(5.54%)</u>	<u>(6.54%)</u>
	<u>\$ 134,175</u>	<u>\$ 109,880</u>	<u>\$ 89,392</u>
Volunteer Firefighters	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
	<u>\$ (22,332)</u>	<u>\$ (28,176)</u>	<u>\$ (33,061)</u>
Magistrate	<u>(4.84%)</u>	<u>(5.84%)</u>	<u>(6.84%)</u>
	<u>\$ 48,769</u>	<u>\$ 40,719</u>	<u>\$ 33,979</u>

**ERB**

A single discount rate of 7.00% was used to measure the Total Pension Liability as of June 30, 2023. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

**Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table provides the sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. In particular, the tables present the State's net pension liability as if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

Net Pension Liability	Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Expressed in Thousands)		
	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
State Employees (Governmental Activities)	\$ 27,421	\$ 20,171	\$ 14,182
Educational Institution Employees (Business-Type Activities)	<u>3,025,184</u>	<u>2,225,358</u>	<u>1,564,607</u>
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.

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**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	<u>93,595</u>
Total	159,125

Active Membership:

State General	18,462
State Police and Corrections	1,260
Municipal General	17,283
Municipal Police	3,169
Municipal Fire	2,419
ERB	<u>51,002</u>
Total	<u>93,595</u>

Total Number of Participating Employers 302

**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.

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 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 (NMPSSA), 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/>.

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

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

**NMSU**

**1. Funding Policy**

The University does not use a trust fund to administer the financing and payment of benefits. The retired employees that elect to participate in postemployment benefits are required to make contributions in the form of monthly premiums based on current rates established under the medical and life plans. The University funds the plan on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits, and includes all expected claims and related expenses and is offset by retiree contributions. The pay-as-you-go expenses for fiscal year 2024 were \$4.1 million, net of retiree contributions.

**NMIMT**

**1. Benefits Provided**

Retirees are offered \$10,000 of retiree basic life insurance. In addition, the Trust is used to pay premiums for life insurance coverage on eligible participants and to administer the Flexible Benefits Plan (the Flex Plan). The Flex Plan, which is fully funded by employees, provides reimbursement of certain employee health and dependent care expenses. The Trust also holds Employee Assistance Plan (EAP) and Commuter Benefits Holding funds.

**2. Contributions**

The Trust is funded by contributions from both the Institute and employees of the Institute. Flex Plan contributions consist of employee-only contributions and are based on amounts elected by the employees up to specified limits, and are withheld from employee pay. All other contributions, including employee and employer contributions, are based on amounts determined by the Trust Committee as necessary to cover the expenses of the Trust. Contributions are funded on a monthly basis.

**E. Funded Status**

**Investments and Fair Value Measurements**

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used as of June 30, 2024.

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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 NAV Practical Expedient	Fair Value June 30, 2024	Redemption Frequency	Redemption 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
<b>Total</b>	<b>\$ 1,513,202</b>		

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	Annual Money- Weighted Rate of Return
<hr/> June 30, 2024 <hr/>	11.47 %

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions. The following schedule summarizes the current investment allocation policy as of June 30, 2024:

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

**E. Funded Status (Continued)**

Actuarial Assumptions (Continued)

Asset Class	Target 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	<u><u>100 %</u></u>

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

Asset Class	Long-Term Rate of Return
U.S. Core Fixed Income	1.6 %
U.S. Equity - Large Cap	6.9
Non U.S. - Emerging Markets	8.7
Non U.S. - Developed Equities	7.2
Private Equity	9.9
Credit and Structured Finance	3.7
Real Estate	3.6
Absolute Return	3.2
U.S. Equity - Small/Mid Cap	6.9

**F. Net OPEB Liability**

Net OPEB Liability

The net OPEB liability and the plan's actuarial valuation were calculated by the Authority's independent actuary as of June 30, 2024. The plan's valuation and measurement of the total OPEB liability and related net OPEB liability were performed in accordance with GASB 74 requirements at the request of the Authority.

The discount rate used to measure the total OPEB liability is 7% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates.

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

**F. Net OPEB Liability (Continued)**

**Net OPEB Liability (Continued)**

For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2070. Thus, the 7% assumed investment return on Plan assets, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability.

The following presents the net OPEB liability, calculated using the discount rate of 6.22%, as well as what the Fund's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (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 (\$ 1,379,274)	Current Trend (\$ 1,784,800)	1% Increase (\$ 2,826,241)
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><u>\$ 1,784,800</u></u>
Plan Fiduciary Net Position as a Percentage of 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	-
<b>Total</b>	<b>\$ 125,390</b>	<b>\$ (462,212)</b>	<b>\$ 21,131</b>	<b>\$ (65,949)</b>

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**  
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**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)**

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

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

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

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

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

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

Net OPEB Liability	1% Decrease	Current Rate	1% Increase
Governmental Activities	\$ 330,861	\$ 399,639	\$ 478,630
Business-Type Activities	41,783	50,469	60,445
<b>Total Primary</b>			
Government - RHCA	<b>\$ 372,644</b>	<b>\$ 450,108</b>	<b>\$ 539,075</b>

**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	<b>\$ 128,231</b>
Plan Fiduciary Net Pension as a Percentage 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 (4.85%)	Current Discount Rate (5.85%)	1% Increase (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 \$ 107,517	Current Discount \$ 128,231	1% Increase \$ 153,282
Net OPEB Liability			

**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 (in Thousands)	
	Deferred Outflows of Resources	Deferred Inflows of 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):

Year Ending June 30,	Amount
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**

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

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

STATE OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 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 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).

	Current	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93)
New Mexico State University's 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 Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (9,737)
Changes of Assumptions	<u>7,262</u>	<u>(9,397)</u>
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	(4,524)
<b>The Institute's Net OPEB Liability</b>	<b><u>\$ 48,142</u></b>

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

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

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

	Current	1% Decrease	1% Increase
	Discount Rate	(2.66%)	(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):

	Current	1% Decrease	1% Increase
	Discount	\$ 39,769	\$ 58,989
Net OPEB Liability	\$ 48,142		

**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 Outflows of Resources	Deferred Inflows of 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	-
<b>Total</b>	<b>\$ 19,430</b>	<b>\$ (20,993)</b>

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)
<b>Total</b>	<b>\$ (2,382)</b>

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

**NOTE 13 DEFERRED COMPENSATION PLAN**

The State of New Mexico offers state, local government, and school district employees a deferred compensation plan (Deferred Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the “Deferred Compensation Act,” in accordance with IRC Section 457. The Deferred Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available until termination, retirement, death, or unforeseeable emergency.

PERA is the trustee of the Deferred Plan; however, the Deferred Plan uses a third-party administrator, acting under contract with PERA. All costs of administration and funding are borne by the Deferred Plan participants. The Administrator has authority to control and manage the operation of the Deferred Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Deferred Plan, and has certain discretionary authority to decide all matters under the Deferred Plan. As Deferred Plan trustee, PERA’s primary responsibility is to select investment options that are safe and provide a reasonable rate of return and to ensure that all investments, amounts, property, and rights under the executed Deferred Plan-Trust are held for the exclusive benefit of Deferred Plan participants and their beneficiaries, as defined in the Deferred Plan. The assets of the Deferred Plan are not assets of the State, but are held in trust for the exclusive benefit of Deferred Plan participants and their beneficiaries. The State has no liability for losses under the Deferred Plan but does have the duty of due care that would be required of a fiduciary agent.

The Deferred Plan issues a publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza la Prensa, Santa Fe, NM 87507. This report is also available online at: <http://www.nmpera.org/deferred-compensation>.

**NOTE 14 ARBITRAGE ON TAX-EXEMPT BONDS**

Arbitrage is the excess interest earned by a state or local government on proceeds from the sale of its bonds over interest paid to bondholders. The Tax Reform Act of 1986 TRA required rebate of such arbitrage to the U.S. Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if, both, all of the gross proceeds of the issue, other than the reserve fund, are spent within the six-month period following the date of issue, and the rebate requirement is satisfied for the reserve fund after the six-month period. The term gross proceeds for purposes of the rule includes both the sale proceeds received from the bond’s purchaser on the issue date and investment earnings on such proceeds during the six-month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

The Office of the State Treasurer compiles this information, and files all required reports in compliance with regulations issued by the IRS.

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

**NOTE 15 SEGMENT INFORMATION**

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

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

**NOTE 15 SEGMENT INFORMATION (CONTINUED)**

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

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

**NOTE 15 SEGMENT INFORMATION (CONTINUED)**

	State Fair Commission	Miners' Colfax Medical Center	Educational Institutions						
			New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
<b>Condensed Statement of Cash Flows:</b>									
Net Cash Provided (Used) by:									
Operating Activities	\$ (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 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 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 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 Amounts Budgetary Basis	Variance With Final 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
Fund Balance Budgeted	291,816	858,965		
Total	21,802,806	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
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 Budgetary Basis	Variance With Final Budget
	Original	Final		
<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 Management	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
Public 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 Budgetary Basis	Variance With Final Budget
	Original	Final		
<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 Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
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 Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<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	<u>258,958</u>	<u>408,701</u>	<u>253,717</u>	<u>154,984</u>
Special Appropriations:				
Special Appropriations	4,962,413	5,044,008	4,684,863	359,145
Total Special Appropriations	<u>4,962,413</u>	<u>5,044,008</u>	<u>4,684,863</u>	<u>359,145</u>
Total Expenditures	<u>21,798,436</u>	<u>24,530,916</u>	<u>20,826,903</u>	<u>3,704,013</u>
<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, other than Bud Ref 124, 924, and multi-year	1,261
Expenditures and other financing uses, 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 of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 3,398,925</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
<b>Total Pension Liability:</b>										
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)
<b>Net Change in Total Pension Liability</b>	<b>1,646,146</b>	<b>1,095,348</b>	<b>520,440</b>	<b>920,491</b>	<b>151,414</b>	<b>606,585</b>	<b>1,314,495</b>	<b>82,106</b>	<b>1,469,984</b>	<b>771,868</b>
<b>Total Pension Liability - Beginning</b>	<b>24,676,916</b>	<b>23,581,568</b>	<b>23,061,128</b>	<b>22,140,637</b>	<b>21,989,224</b>	<b>21,382,639</b>	<b>20,068,144</b>	<b>19,986,038</b>	<b>18,516,054</b>	<b>17,744,187</b>
<b>Total Pension Liability - Ending (a)</b>	<b>26,323,062</b>	<b>24,676,916</b>	<b>23,581,568</b>	<b>23,061,128</b>	<b>22,140,638</b>	<b>21,989,224</b>	<b>21,382,639</b>	<b>20,068,144</b>	<b>19,986,038</b>	<b>18,516,055</b>
<b>Plan Net Position:</b>										
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
<b>Net Change in Plan Net Position</b>	<b>773,172</b>	<b>244,184</b>	<b>(1,459,302)</b>	<b>3,121,964</b>	<b>(815,560)</b>	<b>297,063</b>	<b>412,310</b>	<b>965,812</b>	<b>(430,047)</b>	<b>(169,264)</b>
<b>Plan Net Position - Beginning</b>	<b>16,598,830</b>	<b>16,354,646</b>	<b>17,813,948</b>	<b>14,691,984</b>	<b>15,507,545</b>	<b>15,210,482</b>	<b>14,798,917</b>	<b>13,826,658</b>	<b>14,255,528</b>	<b>14,424,793</b>
Prior Period Adjustments	-	-	-	-	-	-	(745)	6,447	1,177	-
<b>Plan Net Position - Beginning, Restated</b>	<b>16,598,830</b>	<b>16,354,646</b>	<b>17,813,948</b>	<b>14,691,984</b>	<b>15,507,545</b>	<b>15,210,482</b>	<b>14,798,172</b>	<b>13,833,105</b>	<b>14,256,705</b>	<b>14,424,793</b>
<b>Plan Net Position - Ending (b)</b>	<b>17,372,002</b>	<b>16,598,830</b>	<b>16,354,646</b>	<b>17,813,948</b>	<b>14,691,984</b>	<b>15,507,545</b>	<b>15,210,482</b>	<b>14,798,917</b>	<b>13,826,658</b>	<b>14,255,529</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 8,951,060</b>	<b>\$ 8,078,086</b>	<b>\$ 7,226,922</b>	<b>\$ 5,247,180</b>	<b>\$ 7,448,653</b>	<b>\$ 6,481,679</b>	<b>\$ 6,172,157</b>	<b>\$ 5,269,227</b>	<b>\$ 6,159,380</b>	<b>\$ 4,260,526</b>

**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
<b>Total Pension Liability:</b>										
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)
<b>Net Change in Total Pension Liability</b>	<b>14,582</b>	<b>18,698</b>	<b>29,949</b>	<b>(49,514)</b>	<b>17,975</b>	<b>29,624</b>	<b>(480)</b>	<b>(15,264)</b>	<b>54,517</b>	<b>4,586</b>
<b>Total Pension Liability - Beginning</b>	<b>222,542</b>	<b>203,844</b>	<b>173,895</b>	<b>223,409</b>	<b>205,435</b>	<b>175,811</b>	<b>176,291</b>	<b>191,555</b>	<b>137,038</b>	<b>132,452</b>
<b>Total Pension Liability - Ending (a)</b>	<b>237,124</b>	<b>222,542</b>	<b>203,844</b>	<b>173,895</b>	<b>223,409</b>	<b>205,435</b>	<b>175,811</b>	<b>176,291</b>	<b>191,555</b>	<b>137,038</b>
<b>Plan Net Position:</b>										
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
<b>Net Change in Plan Net Position</b>	<b>3,840</b>	<b>1,061</b>	<b>10,374</b>	<b>16,356</b>	<b>(6,889)</b>	<b>430</b>	<b>1,715</b>	<b>4,996</b>	<b>(3,799)</b>	<b>(2,153)</b>
<b>Plan Net Position - Beginning</b>	<b>112,663</b>	<b>111,602</b>	<b>101,228</b>	<b>84,872</b>	<b>91,761</b>	<b>91,331</b>	<b>89,616</b>	<b>84,932</b>	<b>88,989</b>	<b>91,142</b>
Prior Period Adjustments	-	-	-	-	-	-	-	(312)	(257)	-
<b>Plan Net Position - Beginning, Restated</b>	<b>112,663</b>	<b>111,602</b>	<b>101,228</b>	<b>84,872</b>	<b>91,761</b>	<b>91,331</b>	<b>89,616</b>	<b>84,620</b>	<b>88,732</b>	<b>91,142</b>
<b>Plan Net Position - Ending (b)</b>	<b>116,503</b>	<b>112,663</b>	<b>111,602</b>	<b>101,228</b>	<b>84,872</b>	<b>91,761</b>	<b>91,331</b>	<b>89,616</b>	<b>84,933</b>	<b>88,989</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 120,621</b>	<b>\$ 109,879</b>	<b>\$ 92,242</b>	<b>\$ 72,667</b>	<b>\$ 138,538</b>	<b>\$ 113,674</b>	<b>\$ 84,480</b>	<b>\$ 86,675</b>	<b>\$ 106,623</b>	<b>\$ 48,050</b>

**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)
<b>Net Change in Total Pension Liability</b>	<b>793</b>	<b>(2,239)</b>	<b>15,911</b>	<b>911</b>	<b>(18,812)</b>	<b>8,342</b>	<b>3,464</b>	<b>(8,890)</b>	<b>10,982</b>	<b>7,135</b>
<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)
<b>Net Change in Plan Net Position</b>	<b>703</b>	<b>83</b>	<b>(2,765)</b>	<b>6,094</b>	<b>(2,727)</b>	<b>(296)</b>	<b>(59)</b>	<b>1,187</b>	<b>(2,052)</b>	<b>(1,997)</b>
<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>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73)</b>	<b>-</b>	<b>(98)</b>	<b>-</b>
<b>Plan Net Position - Beginning, Restated</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>32,153</b>	<b>31,038</b>	<b>33,089</b>	<b>35,185</b>
<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
<b>Total Pension Liability:</b>										
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
<b>Total Pension Liability - Beginning</b>	<b>52,933</b>	<b>52,843</b>	<b>53,126</b>	<b>51,905</b>	<b>52,560</b>	<b>50,802</b>	<b>48,503</b>	<b>48,936</b>	<b>44,478</b>	<b>40,881</b>
<b>Total Pension Liability - Ending (a)</b>	<b>53,127</b>	<b>52,933</b>	<b>52,843</b>	<b>53,126</b>	<b>51,905</b>	<b>52,560</b>	<b>50,802</b>	<b>48,503</b>	<b>48,936</b>	<b>44,478</b>
<b>Plan Net Position:</b>										
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
<b>Plan Net Position - Beginning</b>	<b>81,107</b>	<b>78,965</b>	<b>84,718</b>	<b>68,836</b>	<b>71,836</b>	<b>69,287</b>	<b>66,399</b>	<b>61,049</b>	<b>62,103</b>	<b>61,923</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(179)</b>	<b>-</b>
<b>Plan Net Position - Beginning, Restated</b>	<b>81,107</b>	<b>78,965</b>	<b>84,718</b>	<b>68,836</b>	<b>71,836</b>	<b>69,287</b>	<b>66,399</b>	<b>61,049</b>	<b>61,924</b>	<b>61,923</b>
<b>Plan Net Position - Ending (b)</b>	<b>85,425</b>	<b>81,107</b>	<b>78,965</b>	<b>84,718</b>	<b>68,836</b>	<b>71,836</b>	<b>69,287</b>	<b>66,399</b>	<b>61,049</b>	<b>62,103</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ (32,298)</b>	<b>\$ (28,174)</b>	<b>\$ (26,122)</b>	<b>\$ (31,591)</b>	<b>\$ (16,931)</b>	<b>\$ (19,276)</b>	<b>\$ (18,485)</b>	<b>\$ (17,896)</b>	<b>\$ (12,113)</b>	<b>\$ (17,626)</b>

**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)
<b>Net Change in Total Pension Liability</b>	<b>1,340,126</b>	<b>973,666</b>	<b>523,422</b>	<b>(9,836,096)</b>	<b>12,163,093</b>	<b>(3,739,638)</b>	<b>1,238,809</b>	<b>4,893,553</b>	<b>754,282</b>	<b>923,182</b>
<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	-	-	-
<b>Net Change in Plan Net Position</b>	<b>1,236,416</b>	<b>711,092</b>	<b>(810,824)</b>	<b>3,342,327</b>	<b>(525,494)</b>	<b>574,390</b>	<b>460,947</b>	<b>976,519</b>	<b>35,115</b>	<b>151,648</b>
<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
<b>Total OPEB Liability:</b>								
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)
<b>Net Change in Total OPEB Liability</b>	<b>317,104</b>	<b>(417,636)</b>	<b>(942,551)</b>	<b>(618,731)</b>	<b>1,029,442</b>	<b>(1,006,873)</b>	<b>(105,130)</b>	<b>(830,098)</b>
<b>Total OPEB Liability - Beginning</b>	<b>3,049,663</b>	<b>3,467,299</b>	<b>4,409,850</b>	<b>5,028,581</b>	<b>3,999,139</b>	<b>5,006,012</b>	<b>5,111,142</b>	<b>5,941,240</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>3,366,767</b>	<b>3,049,663</b>	<b>3,467,299</b>	<b>4,409,850</b>	<b>5,028,581</b>	<b>3,999,139</b>	<b>5,006,012</b>	<b>5,111,142</b>
<b>Plan Net Position:</b>								
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
<b>Net Change in Plan Net Position</b>	<b>235,240</b>	<b>191,032</b>	<b>36,195</b>	<b>289,828</b>	<b>72,923</b>	<b>99,093</b>	<b>78,188</b>	<b>106,994</b>
<b>Plan Net Position - Beginning</b>	<b>1,346,728</b>	<b>1,155,696</b>	<b>1,119,501</b>	<b>829,673</b>	<b>756,750</b>	<b>657,657</b>	<b>579,469</b>	<b>472,475</b>
<b>Plan Net Position - Ending (b)</b>	<b>1,581,968</b>	<b>1,346,728</b>	<b>1,155,696</b>	<b>1,119,501</b>	<b>829,673</b>	<b>756,750</b>	<b>657,657</b>	<b>579,469</b>
<b>Net OPEB Liability - Ending (a)-(b)</b>	<b>\$ 1,784,799</b>	<b>\$ 1,702,935</b>	<b>\$ 2,311,603</b>	<b>\$ 3,290,349</b>	<b>\$ 4,198,908</b>	<b>\$ 3,242,389</b>	<b>\$ 4,348,355</b>	<b>\$ 4,531,673</b>

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

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$ 26,323,061	\$ 24,676,915	\$ 23,581,568	\$ 23,061,128	\$ 22,140,637	\$ 21,989,225	\$ 21,382,639	\$ 20,068,143	\$ 19,986,038	\$ 18,516,055
Plan Net Position	<u>17,372,001</u>	<u>16,598,830</u>	<u>16,354,647</u>	<u>17,813,948</u>	<u>14,691,984</u>	<u>15,507,546</u>	<u>15,210,483</u>	<u>14,798,918</u>	<u>13,826,658</u>	<u>14,255,529</u>
Net Pension Liability	<u><u>\$ 8,951,060</u></u>	<u><u>\$ 8,078,085</u></u>	<u><u>\$ 7,226,921</u></u>	<u><u>\$ 5,247,180</u></u>	<u><u>\$ 7,448,653</u></u>	<u><u>\$ 6,481,679</u></u>	<u><u>\$ 6,172,156</u></u>	<u><u>\$ 5,269,225</u></u>	<u><u>\$ 6,159,380</u></u>	<u><u>\$ 4,260,526</u></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	<u>116,500</u>	<u>112,661</u>	<u>111,600</u>	<u>101,227</u>	<u>84,871</u>	<u>91,760</u>	<u>91,331</u>	<u>89,616</u>	<u>84,932</u>	<u>88,988</u>
Net Pension Liability	<u><u>\$ 120,623</u></u>	<u><u>\$ 109,880</u></u>	<u><u>\$ 92,242</u></u>	<u><u>\$ 72,667</u></u>	<u><u>\$ 138,538</u></u>	<u><u>\$ 113,675</u></u>	<u><u>\$ 84,479</u></u>	<u><u>\$ 86,675</u></u>	<u><u>\$ 106,623</u></u>	<u><u>\$ 48,050</u></u>
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	\$ 63,536
Plan Net Position	<u>33,184</u>	<u>32,481</u>	<u>32,399</u>	<u>35,165</u>	<u>29,071</u>	<u>31,798</u>	<u>32,093</u>	<u>32,225</u>	<u>31,038</u>	<u>33,187</u>
Net Pension Liability	<u><b>\$ 40,810</b></u>	<u><b>\$ 40,720</b></u>	<u><b>\$ 43,041</b></u>	<u><b>\$ 24,364</b></u>	<u><b>\$ 29,547</b></u>	<u><b>\$ 45,633</b></u>	<u><b>\$ 36,997</b></u>	<u><b>\$ 33,403</b></u>	<u><b>\$ 43,481</b></u>	<u><b>\$ 30,349</b></u>
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	<u>85,426</u>	<u>81,108</u>	<u>78,966</u>	<u>84,718</u>	<u>68,837</u>	<u>71,836</u>	<u>69,287</u>	<u>66,401</u>	<u>61,050</u>	<u>62,103</u>
Net Pension Liability	<u><u>\$ (32,300)</u></u>	<u><u>\$ (28,176)</u></u>	<u><u>\$ (26,123)</u></u>	<u><u>\$ (31,591)</u></u>	<u><u>\$ (16,932)</u></u>	<u><u>\$ (19,275)</u></u>	<u><u>\$ (18,485)</u></u>	<u><u>\$ (17,898)</u></u>	<u><u>\$ (12,114)</u></u>	<u><u>\$ (17,625)</u></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	\$ 2,797,686	\$ 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	\$ 3,366,767	\$ 3,049,663	\$ 3,467,299	\$ 4,409,850	\$ 5,028,581	\$ 3,999,138	\$ 5,006,012	\$ 5,111,142
Plan Net Position	<u>1,581,968</u>	<u>1,346,728</u>	<u>1,155,696</u>	<u>1,119,501</u>	<u>829,673</u>	<u>756,749</u>	<u>657,657</u>	<u>579,469</u>
Net OPEB Liability	<u><u>\$ 1,784,799</u></u>	<u><u>\$ 1,702,935</u></u>	<u><u>\$ 2,311,603</u></u>	<u><u>\$ 3,290,349</u></u>	<u><u>\$ 4,198,908</u></u>	<u><u>\$ 3,242,389</u></u>	<u><u>\$ 4,348,355</u></u>	<u><u>\$ 4,531,673</u></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	
<b>Total OPEB Liability:</b>									
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	
<b>Plan Fiduciary Net Position:</b>									
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
<b>Current Recognized Deferred Outflows/(Inflows):</b>							
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)
<b>Net Change in Total OPEB Liability</b>	<u>9,004</u>	<u>1,139</u>	<u>(42,174)</u>	<u>5,864</u>	<u>20,157</u>	<u>11,772</u>	<u>(653)</u>
<b>Total OPEB Liability - Beginning</b>	<u>130,658</u>	<u>129,519</u>	<u>171,693</u>	<u>165,829</u>	<u>145,672</u>	<u>133,899</u>	<u>134,552</u>
<b>Total OPEB Liability - Ending</b>	<u><b>\$ 139,662</b></u>	<u><b>\$ 130,658</b></u>	<u><b>\$ 129,519</b></u>	<u><b>\$ 171,693</b></u>	<u><b>\$ 165,829</b></u>	<u><b>\$ 145,672</b></u>	<u><b>\$ 133,899</b></u>
<b>Covered-Employee Payroll</b>	<b>\$ 111,227</b>	<b>\$ 119,786</b>	<b>\$ 116,865</b>	<b>\$ 135,947</b>	<b>\$ 131,987</b>	<b>\$ 153,961</b>	<b>\$ 150,205</b>
<b>University's Net OPEB Liability as a Percentage of Covered-Employee Payroll</b>	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
<b>Total OPEB Liability:</b>								
Service Cost	\$ 3,561	\$ 5,036	\$ 2,993	\$ 2,182	\$ 1,999	\$ 2,317	\$ 2,697	\$ 2,149
Interest Cost	2,013	1,488	1,377	1,388	1,518	1,377	1,225	1,194
Differences Between Expected and Actual Experience	(6,434)	-	12,357	-	(5,898)	-	-	-
Changes of Assumptions	1,032	(15,164)	7,720	6,895	2,050	(1,486)	(3,354)	3,706
Benefit Payments	(1,615)	(1,545)	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
<b>Net Change in Total OPEB Liability</b>	<b>(1,443)</b>	<b>(10,185)</b>	<b>22,970</b>	<b>9,192</b>	<b>(392)</b>	<b>1,559</b>	<b>(922)</b>	<b>6,119</b>
<b>Total OPEB Liability- Beginning</b>	<b>54,108</b>	<b>64,293</b>	<b>41,323</b>	<b>32,131</b>	<b>32,523</b>	<b>30,964</b>	<b>31,886</b>	<b>25,765</b>
<b>Total OPEB Liability- Ending (a)</b>	<b>52,665</b>	<b>54,108</b>	<b>64,293</b>	<b>41,323</b>	<b>32,131</b>	<b>32,523</b>	<b>30,964</b>	<b>31,886</b>
<b>Plan Fiduciary Net Position:</b>								
Contributions - Employer	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)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>145</b>	<b>(661)</b>	<b>712</b>	<b>85</b>	<b>(61)</b>	<b>649</b>	<b>912</b>	<b>1,312</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>4,379</b>	<b>5,040</b>	<b>4,328</b>	<b>4,243</b>	<b>4,304</b>	<b>3,655</b>	<b>2,743</b>	<b>1,431</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>4,524</b>	<b>4,379</b>	<b>5,040</b>	<b>4,328</b>	<b>4,243</b>	<b>4,304</b>	<b>3,655</b>	<b>2,743</b>
<b>University's Net OPEB Liability - Ending (a)-(b)</b>	<b>\$ 48,141</b>	<b>\$ 49,729</b>	<b>\$ 59,253</b>	<b>\$ 36,995</b>	<b>\$ 27,888</b>	<b>\$ 28,219</b>	<b>\$ 27,309</b>	<b>\$ 29,143</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	8.6%	8.1%	7.8%	10.5%	13.2%	13.2%	11.8%	8.6%
<b>Covered-Employee Payroll</b>	<b>\$ 56,944</b>	<b>\$ 50,301</b>	<b>\$ 48,653</b>	<b>\$ 30,619</b>	<b>\$ 29,916</b>	<b>\$ 28,337</b>	<b>\$ 28,142</b>	<b>\$ 27,958</b>
<b>University's Net OPEB Liability as a Percentage of Covered-Employee Payroll</b>	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	<u>521,674</u>	<u>454,462</u>	<u>395,408</u>	<u>379,185</u>	<u>368,425</u>	<u>339,676</u>	<u>319,499</u>	<u>332,473</u>	<u>324,752</u>	<u>317,164</u>
Annual Contribution Deficiency	<u>\$ 135,887</u>	<u>\$ 144,782</u>	<u>\$ 135,990</u>	<u>\$ -</u>						
Covered Payroll	\$ 2,887,875	\$ 2,537,115	\$ 2,460,174	\$ 2,482,249	\$ 2,339,923	\$ 2,287,712	\$ 2,265,036	\$ 2,193,889	\$ 2,326,943	\$ 2,248,254
Annual Contribution as a Percentage of Covered Payroll	18.06%	17.91%	16.07%	15.28%	15.75%	14.85%	14.11%	15.15%	13.96%	14.11%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory Required Contributions	\$ 7,463	\$ 7,186	\$ 7,205	\$ 5,858	\$ 6,045	\$ 5,881	\$ 4,908	\$ 4,975	\$ 4,816	\$ 4,919
Actual Employer Contributions	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196
Annual Contribution Deficiency (Excess)	<u>\$ 769</u>	<u>\$ 834</u>	<u>\$ (18,414)</u>	<u>\$ 232</u>	<u>\$ 1,362</u>	<u>\$ 1,150</u>	<u>\$ 185</u>	<u>\$ 451</u>	<u>\$ 579</u>	<u>\$ 723</u>
Covered Payroll	\$ 22,364	\$ 21,443	\$ 17,681	\$ 16,985	\$ 16,090	\$ 16,292	\$ 15,126	\$ 15,493	\$ 15,612	\$ 15,084
Annual Contribution as a Percentage 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	<u>2,619</u>	<u>2,538</u>	<u>2,385</u>	<u>2,348</u>	<u>1,293</u>	<u>1,236</u>	<u>1,232</u>	<u>1,282</u>	<u>1,280</u>	<u>937</u>
Annual Contribution Deficiency (Excess)	<u><u>\$ (89)</u></u>	<u><u>\$ 186</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ (42)</u></u>	<u><u>\$ 630</u></u>	<u><u>\$ 626</u></u>	<u><u>\$ 356</u></u>	<u><u>\$ 294</u></u>	<u><u>\$ 183</u></u>	<u><u>\$ 1,030</u></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)	\$ (38,374)	\$ 27,566	\$ 115,517	\$ 203,860	\$ 134,895	\$ 180,782	\$ 157,869	\$ 81,996	\$ 68,352	\$ 55,821
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	<u>127,361</u>	<u>114,542</u>	<u>101,585</u>	<u>96,585</u>	<u>96,504</u>	<u>88,516</u>	<u>85,402</u>	<u>85,858</u>
Annual Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,609,137	\$ 4,952,013	\$ 4,745,116	\$ 4,614,244	\$ 4,298,116	\$ 4,172,929	\$ 4,290,617	\$ 4,165,647
Annual Contribution as a Percentage 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	<u>7,333</u>	<u>7,302</u>	<u>7,383</u>	<u>7,490</u>	<u>7,459</u>	<u>7,513</u>	<u>7,322</u>	<u>7,467</u>	
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	Entry age normal – level % of salary
Asset Valuation Method	Market value of assets
Healthcare Cost Trend Rates	Medical Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years Medical Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years Dental: 4.0%
Salary Increases	2.0%
Investment Rate of Return	6.0%, net of OPEB plan investment expense, including inflation
Retirement Age	63
Mortality	PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-2021.

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

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

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

Notes to Schedule:

Valuation Date July 1, 2024

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method Entry age normal – level % of salary  
 Asset Valuation Method Market value of assets  
 Inflation 3.0%  
 Healthcare Cost Trend Rates Medical Pre-Medicare: 7500% initially, reduced by decrements to a rate of 4.5% after nine years  
 Medical Post-Medicare: 6.255% initially, reduce by decrements to a rate of 4.50% after nine years  
 Pharmacy: 12.00% initially, reduced by decrement to a rate of 4.50% after nine years  
 Dental and Vision: 3.0%

Salary Increases 3.0%  
 Investment Rate of Return 5.25%  
 Retirement Age 64  
 Mortality PUB-2010 "General" Classification head count-weighted mortality Table with fully generation mortality improvement projections from the central year using Scale MP-2021

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

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

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

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

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

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

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, 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	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.32%	9.83%	-17.43%	26.04%	4.55%	6.18%	6.77%	11.26%

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

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

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, 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	2.50%	2.50%	2.50%	2.50%	2.30 %
Mortality Assumption	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25%	5.54%	5.84%	7.25%	7.00%
Municipal Bond Rate	-	3.97%	3.97%	-	-

Notes to Schedule:

All percentages are stated at an annual rate.

Investment rate of return is net of investment expenses.

**STATE OF NEW MEXICO**  
**SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level of percent of pay, calculated on individual employee basis
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation	2.30% for ERB and 2.50% for PERA
Projected Payroll Increases	3.00% to 13.00% based on years of service, including inflation
Investment Rate of Return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Discount Rate	7.00%
Healthcare Cost Trend Rate	8.00% graded down to 4.50% over 14 years for Non-Medicare medical plan costs and 8.50% graded down to 4.50% over 12 years for Medicare medical plan costs. Actual premium increase for the first year, then 8.25% graded down the 4.50% over 15 years

**STATE OF NEW MEXICO**

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

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

PERA - State-Funded Divisions	Measurement Date									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	50.70%	53.83%	57.10%	51.17%	51.29%	52.74%	52.52%	51.25%	52.70%	54.10%
State Proportionate Share of the Net Pension Liability	\$ 4,095,436	\$ 3,890,088	\$ 2,996,326	\$ 3,811,182	\$ 3,324,673	\$ 3,255,419	\$ 2,767,431	\$ 3,156,785	\$ 2,243,965	\$ 1,795,898
State Covered Payroll **	\$ 1,326,233	\$ 1,151,862	\$ 1,135,523	\$ 1,111,517	\$ 1,024,186	\$ 987,851	\$ 1,030,651	\$ 1,192,558	\$ 1,184,830	\$ 1,137,325
State Proportionate Share of the Net Pension Liability 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, 2018	June 30, 2017
State Proportion of the Net OPEB Liability	2.63%	2.75%	2.75%	2.67%	2.73%	2.86%	2.89%
State Proportionate Share of the Net OPEB Liability	\$ 44,823	\$ 63,643	\$ 90,524	\$ 112,118	\$ 88,554	\$ 124,460	\$ 130,892
State Covered Payroll **	\$ 153,000	\$ 137,600	\$ 129,350	\$ 127,700	\$ 122,700	\$ 128,727	\$ 123,997
State Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	29.30%	46.25%	69.98%	87.80%	72.17%	96.69%	105.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.16%	33.33%	16.50%	16.50%	18.92%	13.14%	11.34%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**STATE OF NEW MEXICO**

The Following Presents Required Supplementary Information for the State as Employer

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

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	<u>290,027</u>	<u>251,754</u>	<u>221,400</u>	<u>209,237</u>	<u>200,231</u>	<u>181,674</u>	<u>174,957</u>	<u>184,801</u>	<u>171,144</u>	<u>176,397</u>
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	<u>2,619</u>	<u>2,538</u>	<u>2,385</u>	<u>2,348</u>	<u>1,293</u>	<u>1,236</u>	<u>1,232</u>	<u>1,282</u>	<u>1,280</u>	<u>937</u>	
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	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State Covered Payroll	*	*	*	*	*	*	*	*	*	*	
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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

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

ERB - State Agencies	Fiscal Year Ended June 30,										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually Required Contribution	\$ 1,740	\$ 1,558	\$ 1,352	\$ 1,194	\$ 1,217	\$ 1,180	\$ 1,112	\$ 1,190	\$ 1,343	\$ 1,215	
Contributions in Relation to Contractually Required Contributions	<u>1,740</u>	<u>1,558</u>	<u>1,352</u>	<u>1,194</u>	<u>1,217</u>	<u>1,180</u>	<u>1,112</u>	<u>1,190</u>	<u>1,343</u>	<u>1,215</u>	
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	\$ 199,489	\$ 168,175	\$ 135,172	\$ 121,043	\$ 121,126	\$ 113,215	\$ 111,586	\$ 113,728	\$ 113,979	\$ 105,788	
Contributions in Relation to Contractually Required Contributions	<u>199,489</u>	<u>168,175</u>	<u>135,172</u>	<u>121,043</u>	<u>121,126</u>	<u>113,215</u>	<u>111,586</u>	<u>113,728</u>	<u>113,979</u>	<u>105,788</u>	
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	<u>30,727</u>	<u>27,250</u>	<u>25,168</u>	<u>23,808</u>	<u>22,981</u>	<u>20,707</u>	<u>20,602</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
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	<u>3,276</u>	<u>3,060</u>	<u>2,752</u>	<u>2,587</u>	<u>2,554</u>	<u>2,454</u>	<u>2,575</u>
Contribution Deficiency	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
State Covered Payroll **	\$ 163,800	\$ 153,000	\$ 137,600	\$ 129,350	\$ 127,700	\$ 122,700	\$ 128,727
Contributions as a Percentage of Covered Payroll	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State will only present information for those years for which information is available.

\*\* Covered payroll is presented for the prior fiscal year to match the measurement date of the pension liability.

**OTHER SUPPLEMENTARY INFORMATION**

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

**Debt Service Fund**

Debt Service Fund accounts are used to account for the accumulation of resources for and the payment of principal and interest on general long-term obligations and other contractual obligations.

**Capital Projects Fund**

The Capital Projects Fund accounts for funds appropriated by the State Legislature for capital outlay, including severance tax and general obligation bond proceeds and State General Appropriation capital outlay funds.

**Children's Trust Fund**

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

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

	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental 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
<b>Total Assets</b>	<b>\$ 1,040,564</b>	<b>\$ 5,435,083</b>	<b>\$ 10,939</b>	<b>\$ 6,486,586</b>
<b>LIABILITIES, DEFERRED INFLOWS OF 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
<b>Total Liabilities</b>	<b>644</b>	<b>435,426</b>	<b>-</b>	<b>436,070</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	-	61	-	61
Unavailable Revenues	-	43	-	43
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>104</b>
<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)
<b>Total Fund Balances</b>	<b>1,039,920</b>	<b>4,999,553</b>	<b>10,939</b>	<b>6,050,412</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,040,564</b>	<b>\$ 5,435,083</b>	<b>\$ 10,939</b>	<b>\$ 6,486,586</b>

**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 Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental 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) 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>				
Fund Balance - Beginning	(26,298)	1,145,847	1,743	1,121,292
	1,066,218	3,853,706	9,196	4,929,120
<b>FUND BALANCES - ENDING</b>				
	<u>\$ 1,039,920</u>	<u>\$ 4,999,553</u>	<u>\$ 10,939</u>	<u>\$ 6,050,412</u>

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

**Enterprise Funds**

Enterprise funds report the activities for which fees are charged to external users for goods and services. Enterprise Funds are presented beginning on page 263.

**Internal Service Funds**

Internal service funds account for goods and services provided primarily to other agencies or funds of the State, rather than to the general public. Internal Service Funds are presented beginning on page 274.

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

**Unemployment Insurance Fund**

The Unemployment Insurance Fund accounts for funds used for unemployment compensation. This fund does not account for other than unemployment compensation (i.e., workers' compensation, employment security labor market statistics, administration of the employment compensation program, etc.) Although this fund does not mathematically qualify to be a major fund, the State has chosen to present it as such due to its prior significance.

**Industries for the Blind**

The New Mexico Commission for the Blind's mission is to encourage and enable the State's blind citizens to achieve vocational, economic, and social equality. This proprietary fund is used to provide career training and other assistance for New Mexico's blind citizens and entails the operations of the Albuquerque Training Center.

**Corrections Industries Revolving Fund**

This fund is used to account for certain activities of the Corrections Industries Division of the Department of Corrections. These activities include the manufacture of furniture and textiles, production of agricultural crops, and data entry services.

**Environment Department**

This fund is used to account for revolving loans for wastewater and drinking water facilities.

**New Mexico Magazine**

New Mexico Magazine is a program of the Department of Tourism. The fund accounts for the publishing and distribution of the monthly New Mexico Magazine.

**New Mexico Public Schools Insurance Authority (NMPSIA)**

NMPSIA is a self-insurance pool that provides various benefits and risk coverage to participating public schools, school board members, and public school employees, plus retired board members and employees. Coverage provided includes property, casualty, workers' compensation, health, life, and disability.

**State Infrastructure Bank**

The State Infrastructure Bank is a proprietary fund administered by the Department of Transportation. The fund is used to account for loans made for road projects.

**Miners' Colfax Medical Center**

Miners' Colfax Medical Center is a State owned medical facility in Raton, New Mexico. The current organization is a result of a merger between the Miners' Hospital and Northern Colfax County Hospital. Miners' Colfax operates a 25-bed acute care hospital; a 37-bed extended care facility, and various outpatient clinics in Raton, New Mexico. Miners' Colfax has programs that serve both miners and nonminers.

**STATE OF NEW MEXICO  
NONMAJOR ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS (CONTINUED)**

**State Fair Commission**

This fund administers the operations of the annual New Mexico State Fair and the use of the Fairgrounds facilities during the year

**Department of Cultural Affairs**

This fund administers the enterprise operations of the Department of Cultural Affairs.

**Education Trust Board**

The Education Trust Board of New Mexico operates as a self-sustaining entity which is administratively connected to the NM Department of Higher Education. This fund administers New Mexico's Section 529 College Savings Plans under rules promulgated by the Board. The financial statements of the two savings plans are presented as a private purpose fiduciary trust fund.

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

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools	State Insurance Authority	State Infrastructure Bank
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 685	\$ -	\$ -
Investment in the State General Fund							
Investment Pool	803	2,199	222,623	2,872	574	13,594	
Investment in the Local Government							
Investment Pool	-	-	-	-	67,633	-	-
Prepaid Expenses and Other Assets	-	-	-	57	256	-	-
Due from Other Funds	-	-	-	-	6	-	-
Receivables, Net	219	2,474	15,643	829	22,827	879	
Investments	-	-	-	-	-	-	-
Inventories	-	175	-	16	-	-	-
Total Current Assets	1,022	4,848	238,266	3,774	91,981	14,473	
Noncurrent Assets:							
Loans Receivable	-	-	203,778	-	-	8,848	
Investments	-	-	-	-	42,697	-	-
Nondepreciable Capital Assets	-	-	-	-	237	-	-
Capital Assets, Net	5	630	-	4	9	-	-
Total Noncurrent Assets	5	630	203,778	4	42,943	8,848	
Total Assets	1,027	5,478	442,044	3,778	134,924	23,321	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows - OPEB	9	113	-	60	69	-	-
Deferred Outflows - Pension	46	593	-	298	348	-	-
Total Deferred Outflows	55	706	-	358	417	-	-

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

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 415,573	\$ 209	\$ 1,659	\$ -	\$ -	\$ 418,126
Investment in the State General Fund						
Investment Pool	(1,738)	1,753	1,559	724	640	245,603
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 for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools	State Insurance Authority	State Infrastructure 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)	(1)
Total Net Position	\$ (57)	\$ 65	\$ 442,044	\$ (1,849)	\$ (13,704)	\$ (13,460)	\$ 23,321

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

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust 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 for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 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 Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust 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	<u>192,226</u>	<u>31,612</u>	<u>13,939</u>	<u>27</u>	<u>3,198</u>	<u>772,146</u>
<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	<u>223,018</u>	<u>36,736</u>	<u>17,535</u>	<u>215</u>	<u>3,204</u>	<u>835,130</u>
<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	<u>432</u>	<u>11,297</u>	<u>2,682</u>	<u>-</u>	<u>-</u>	<u>13,297</u>
<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	<u>616,016</u>	<u>(26,783)</u>	<u>32,624</u>	<u>1,016</u>	<u>9,855</u>	<u>1,098,220</u>
<b>NET POSITION - ENDING</b>						
	<u>\$ 585,656</u>	<u>\$ (20,755)</u>	<u>\$ 32,311</u>	<u>\$ 793</u>	<u>\$ 9,843</u>	<u>\$ 1,057,912</u>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from:						
Fees for Service	\$ 9,203	\$ 3,051	\$ -	\$ -	\$ 492,480	\$ -
Sale of Products	-	-	-	9,535	-	-
Gifts, Grants, and Contracts	-	-	18,709	-	-	-
Loan and Note Repayments	-	-	15,465	-	-	-
Unemployment Insurance	-	-	-	-	-	-
Other Sources	-	335	8,984	-	4,928	1,365
Cash Payments to or for:						
Suppliers	(8,525)	(1,207)	-	(6,104)	(26,390)	-
Employees	(139)	(1,816)	-	(1,020)	-	-
Unemployment Benefits	-	-	-	-	-	-
Loans, Loan Losses, Insurance Losses	-	-	-	-	(479,378)	-
Other Payments	-	(264)	(25,809)	(1)	-	-
Net Cash Provided (Used) by Operating Activities	539	99	17,349	2,410	(8,360)	1,365
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers In	-	-	-	-	1,649	-
Transfers Out	-	-	(1,113)	-	(1,650)	-
Other Noncapital Financing	56	-	3,986	-	15	-
Net Cash Provided by Noncapital Financing Activities	56	-	2,873	-	14	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of Capital Assets	-	(40)	-	-	-	-
Capital Debt Service Payments - Principal	-	(3)	-	-	(3)	-
Capital Debt Service Payments - Interest	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Other Capital Financing	-	-	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(43)	-	-	(3)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Receipts of Interest and Dividends of Investments	-	-	-	-	7,910	-
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>595</b>	<b>56</b>	<b>20,222</b>	<b>2,410</b>	<b>(439)</b>	<b>1,365</b>
Cash and Cash Equivalents - Beginning of Year	208	2,143	202,401	462	1,698	12,229
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 803</b>	<b>\$ 2,199</b>	<b>\$ 222,623</b>	<b>\$ 2,872</b>	<b>\$ 1,259</b>	<b>\$ 13,594</b>
<b>CASH AND CASH EQUIVALENTS</b>						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 685	\$ -
Investment in State Gen. Fund Investment Pool	803	2,199	222,623	2,872	574	13,594
Total Cash and Cash Equivalents	<b>\$ 803</b>	<b>\$ 2,199</b>	<b>\$ 222,623</b>	<b>\$ 2,872</b>	<b>\$ 1,259</b>	<b>\$ 13,594</b>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from:						
Fees for Service	\$ -	\$ 26,537	\$ -	\$ -	\$ -	\$ 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>	<b>5,886</b>	<b>1,124</b>	<b>(7)</b>	<b>(89)</b>	<b>86</b>	<b>31,209</b>
Cash and Cash Equivalents - Beginning of Year	407,949	838	3,225	813	554	632,520
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 413,835</b>	<b>\$ 1,962</b>	<b>\$ 3,218</b>	<b>\$ 724</b>	<b>\$ 640</b>	<b>\$ 663,729</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	<b>\$ 413,835</b>	<b>\$ 1,962</b>	<b>\$ 3,218</b>	<b>\$ 724</b>	<b>\$ 640</b>	<b>\$ 663,729</b>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (35)	\$ (273)	\$ 21,335	\$ 676	\$ (45,563)	\$ 582
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	2	114	-	1	6	-
Change in Net Pension Liability	15	221	-	(313)	(73)	-
Change in Net OPEB Liability	(10)	(120)	-	(114)	(107)	-
Change in Deferred Outflows of Resources	4	50	-	113	75	-
Change in Deferred Inflows of Resources	(2)	(21)	-	(67)	(47)	-
Bad Debt Expense	-	-	-	-	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables - Due from Other Funds	(7)	(748)	(3,986)	(452)	12,500	783
Inventories	-	734	-	17	-	-
Prepaid Items and Other Assets	-	-	-	(22)	20,714	-
Accounts Payable and Accrued Liabilities - Due to Other Funds	572	142	-	2,048	4,202	-
Unearned Revenue	-	-	-	523	(67)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 539</u>	<u>\$ 99</u>	<u>\$ 17,349</u>	<u>\$ 2,410</u>	<u>\$ (8,360)</u>	<u>\$ 1,365</u>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (30,792)	\$ (5,124)	\$ (3,596)	\$ (188)	\$ (6)	\$ (62,984)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	2,379	2,069	87	40	4,698
Change in Net Pension Liability	-	(1,474)	207	-	294	(1,123)
Change in Net OPEB Liability	-	(2,037)	(236)	-	(3)	(2,627)
Change in Deferred Outflows of Resources	-	1,419	117	-	(35)	1,743
Change in Deferred Inflows of Resources	-	(925)	(67)	-	28	(1,101)
Bad Debt Expense	-	1,333	-	-	-	1,333
Net Changes in Assets and Liabilities Related to Operating Activities:						
Receivables - Due from Other Funds	2,605	(2,591)	2,214	-	(3)	10,315
Inventories	-	(5)	-	-	-	746
Prepaid Items and Other Assets	-	-	-	-	-	20,692
Accounts Payable and Accrued Liabilities - Due to Other Funds	33,641	(713)	174	(63)	76	40,079
Unearned Revenue	-	-	(1,323)	-	-	(867)
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,454</u>	<u>\$ (7,738)</u>	<u>\$ (441)</u>	<u>\$ (164)</u>	<u>\$ 391</u>	<u>\$ 10,904</u>

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

**Fleet Operations**

This fund accounts for the operations of the Transportation Motor Pool and the State Aircraft Pool, which provide ground and air transportation services to all state agencies on a fee basis.

**Risk Management**

This fund provides insurance coverage for all state agencies. Areas covered include public liability, workers compensation, group health and life, unemployment compensation, surety bond, and property insurance. Agencies are charged a premium based on several factors, including history and number of employees.

**Printing and Records**

This fund accounts for the provision of printing services of all kinds to state agencies according to an approved fee schedule. The fund also includes services for the retention and storage of public records for all state agencies, which pay an assessment based on size and usage.

**Communications Services**

This fund provides voice and data telecommunications services to all state agencies, which are assessed an annual fee based on size and prior usage.

**Information Processing**

This fund provides automated data processing services for all state agencies, which are assessed an annual fee based on size and prior usage.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
<b>ASSETS</b>							
Current Assets:							
Investment in the State General Fund							
Investment Pool	\$ 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	<u>3,841</u>	<u>143,677</u>	<u>4,992</u>	<u>22,975</u>	<u>69,513</u>	<u>(19,292)</u>	<u>225,706</u>
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	<u>24,328</u>	<u>342</u>	<u>912</u>	<u>77,960</u>	<u>12,327</u>	<u>-</u>	<u>115,869</u>
Total Assets	28,169	144,019	5,904	100,935	81,840	(19,292)	341,575
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows - OPEB	107	304	456	757	231	-	1,855
Deferred Outflows - Pension	542	1,522	2,278	3,974	983	-	9,299
Total Deferred Outflows	<u>649</u>	<u>1,826</u>	<u>2,734</u>	<u>4,731</u>	<u>1,214</u>	<u>-</u>	<u>11,154</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	598	44,328	327	1,487	2,011	-	48,751
Accrued Liabilities	46	102	101	302	5	-	556
Unearned Revenue	-	69	1	-	-	-	70
Due to Other Funds	-	-	-	15,659	3,633	(19,292)	-
Funds Held for Others	1	(2)	-	-	-	-	(1)
Other Liabilities	1	2	-	-	-	-	3
Other Liabilities	3,741	236,884	409	1,602	16	-	242,652
Total Current Liabilities	<u>4,387</u>	<u>281,383</u>	<u>838</u>	<u>19,050</u>	<u>5,665</u>	<u>(19,292)</u>	<u>292,031</u>
Noncurrent Liabilities:							
Net Pension Liability	3,449	9,682	14,495	25,291	6,256	-	59,173
Net OPEB Liability	340	968	1,455	2,414	736	-	5,913
Other Liabilities	2,494	241,639	413	6,323	-	-	250,869
Total Noncurrent Liabilities	<u>6,283</u>	<u>252,289</u>	<u>16,363</u>	<u>34,028</u>	<u>6,992</u>	<u>-</u>	<u>315,955</u>
Total Liabilities	10,670	533,672	17,201	53,078	12,657	(19,292)	607,986
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows - Pension	76	211	317	553	136	-	1,293
Deferred Inflows - OPEB	394	1,120	1,683	2,791	851	-	6,839
Total Deferred Inflows	<u>470</u>	<u>1,331</u>	<u>2,000</u>	<u>3,344</u>	<u>987</u>	<u>-</u>	<u>8,132</u>
<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	<u>\$ 17,678</u>	<u>\$ (389,158)</u>	<u>\$ (10,563)</u>	<u>\$ 49,244</u>	<u>\$ 69,410</u>	<u>\$ -</u>	<u>\$ (263,389)</u>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 9,160	\$ 515,645	\$ 2,981	\$ 54,504	\$ 9,090	\$ -	\$ 591,380
Federal Revenues	-	55,006	-	-	-	-	55,006
Total Operating Revenues	9,160	570,651	2,981	54,504	9,090	-	646,386
<b>OPERATING EXPENSES</b>							
General and Administrative Expenses	5,553	837,344	7,001	43,491	6,005	-	899,394
Depreciation Expense	7,104	47	377	18,481	3,636	-	29,645
Other Operating Expenses	44	7,899	290	(1,336)	980	-	7,877
Total Operating Expenses	12,701	845,290	7,668	60,636	10,621	-	936,916
<b>OPERATING LOSS</b>	(3,541)	(274,639)	(4,687)	(6,132)	(1,531)	-	(290,530)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and Investment Income	(2)	4,190	-	-	1,348	-	5,536
Interest Expense	(28)	(1)	(9)	(146)	-	-	(184)
Gain (Loss) on Sale of Capital Assets	103	-	427	(7)	(70)	-	453
Nonoperating Revenues (Expenses)	11	12,428	42	49	-	-	12,530
Total Nonoperating Revenues (Expenses)	84	16,617	460	(104)	1,278	-	18,335
<b>LOSS BEFORE TRANSFERS</b>	(3,457)	(258,022)	(4,227)	(6,236)	(253)	-	(272,195)
<b>TRANSFERS</b>							
Transfers In	12,112	96,088	5,168	27,698	20,198	(35,194)	126,070
Transfers Out	(436)	(14,507)	(62)	(16,915)	(14,014)	35,194	(10,740)
Total Transfers	11,676	81,581	5,106	10,783	6,184	-	115,330
<b>CHANGE IN NET POSITION</b>	8,219	(176,441)	879	4,547	5,931	-	(156,865)
Net Position - Beginning	9,459	(212,717)	(11,442)	44,697	63,479	-	(106,524)
<b>NET POSITION - ENDING</b>	<b>\$ 17,678</b>	<b>\$ (389,158)</b>	<b>\$ (10,563)</b>	<b>\$ 49,244</b>	<b>\$ 69,410</b>	<b>\$ -</b>	<b>\$ (263,389)</b>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	<b>Fleet Operations</b>	<b>Risk Management</b>	<b>Printing and Records</b>	<b>Communication Services</b>	<b>Information Processing</b>	<b>Eliminations</b>	<b>Total</b>
<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
Cash and Cash Equivalents - Ending	5,533	50,508	3,655	23,084	42,410	-	125,190
<b>CASH AND CASH EQUIVALENTS - ENDING</b>							
Investment in the State General Fund Investment Pool	<b>\$ 3,806</b>	<b>\$ 112,073</b>	<b>\$ 4,816</b>	<b>\$ 16,204</b>	<b>\$ 50,220</b>	<b>\$ -</b>	<b>\$ 187,119</b>
	<b>\$ 3,806</b>	<b>\$ 112,073</b>	<b>\$ 4,816</b>	<b>\$ 16,204</b>	<b>\$ 50,220</b>	<b>\$ -</b>	<b>\$ 187,119</b>

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating Loss							
\$ (3,541)	\$ (274,639)	\$ (4,687)	\$ (6,132)	\$ (1,531)	\$ -	\$ (290,530)	
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:							
Depreciation	7,104	47	386	18,480	3,633	-	29,650
Change in Net Pension Liability	(81)	25	706	(441)	926	-	1,135
Change in Net OPEB Liability	(172)	(418)	(525)	(1,197)	(40)	-	(2,352)
Change in Deferred Outflows of Resources	112	250	230	775	(65)	-	1,302
Change in Deferred Inflows of Resources	(79)	(154)	(121)	(538)	159	-	(733)
Net Changes in Assets and Liabilities Related to Operating Activities:							
Receivables - Due from Other Funds	(31)	(9,174)	(153)	(1,389)	(2,484)	-	(13,231)
Insurance Claims Payable	-	242,071	-	-	-	-	242,071
Accounts Payable and Accrued Liabilities - Due to Other Funds	202	5,501	125	2,875	2,005	-	10,708
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,514</u>	<u>\$ (36,491)</u>	<u>\$ (4,039)</u>	<u>\$ 12,433</u>	<u>\$ 2,603</u>	<u>\$ -</u>	<u>\$ (21,980)</u>
<b>NONCASH CAPITAL FINANCING TRANSACTIONS</b>							
Transfers In of Capital Assets	<u>\$ 11,555</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 26,441</u>	<u>\$ -</u>	<u>\$ (9,484)</u>	<u>\$ 28,519</u>
Transfers Out of Capital Assets	<u>\$ (9)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,475)</u>	<u>\$ 9,484</u>	<u>\$ -</u>
Lease Inception	<u>\$ 2,395</u>	<u>\$ 298</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,701</u>
Loss on Early Termination	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>

**STATE OF NEW MEXICO  
FIDUCIARY FUNDS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS FINANCIAL STATEMENTS**

**Public Employees Retirement Association - (PERA)**

PERA is a qualified, defined benefit, government retirement plan established by the State of New Mexico to provide pension benefits for all State, County, and Municipal employees, police, firefighters, judges, magistrates, and legislators. PERA is comprised of four separate systems which offer an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators.

**Educational Employees' Retirement System (EERS)**

EERS is a qualified, defined benefit, governmental retirement plan established and administered by the State of New Mexico to provide pension benefits for all state certified employees, teachers, and other employees of the State educational institutions, junior colleges, and technical vocational institutes.

**New Mexico Retiree Health Care Authority (RHCA)**

RHCA is a cost-sharing, multiemployer defined benefit postemployment healthcare plan that provides comprehensive core group health insurance for persons who have retired from public service with entities in the State of New Mexico.

**Deferred Compensation Plan (IRC 457)**

The State of New Mexico offers its employees a deferred compensation plan (the Plan) under Chapters 10-7A-1 to 10-7A-12, NMSA 1978, the "Deferred Compensation Act," is in accordance with IRC Section 457. The Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Public Employee's Retiree Association is the trustee of the Plan; however, the Plan is administered by a third-party administrator acting under contract with PERA.

**University of New Mexico Retiree Welfare Benefit Trust**

The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) is a voluntary employees' beneficiary association (VEBA) trust that is tax-exempt under Section 501(c)(9) of the IRC and is presented as a fiduciary fund in the University's financial statements. The VEBA Trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of other postemployment benefits (OPEB) for eligible retirees of the University.

**STATE OF NEW MEXICO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

	Public 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	\$ -	\$ -	\$ 72,873	\$ 1,321,204
Investment in State General Fund Investment Pool	50,212	12,296	79,083	20	-	141,611
Investments:						
Investment Pools at SIC	-	-	1,513,202	-	-	1,513,202
International Securities	1,945,885	-	-	-	-	1,945,885
Corporate Equity Securities	6,965,917	4,642,423	-	-	-	11,608,340
Corporate and Municipal Bonds	-	876,458	-	-	-	876,458
Partnerships and Other Investments	7,691,045	11,495,184	-	-	-	19,186,229
Securities Lending Collateral Investments	565,986	-	-	-	-	565,986
Deferred Compensation Plan Investments	-	-	-	840,689	-	840,689
Receivables:						
Brokers	84,534	3,540	-	-	-	88,074
Accrued Interest and Other	-	11,401	-	-	-	11,401
Accounts Receivable	24,942	149,442	17,711	25	4	192,124
Other State Agencies	200	-	3,856	-	-	4,056
Component Units	-	-	570	-	-	570
Participant Loans	-	-	86	10,526	-	10,612
Long-Term Receivables	-	-	531	-	-	531
Capital Assets, Net	10,883	13,632	1,371	-	-	25,886
Total Assets	<u>18,283,935</u>	<u>17,508,376</u>	<u>1,616,410</u>	<u>851,260</u>	<u>72,877</u>	<u>38,332,858</u>
<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	<u>676,821</u>	<u>10,163</u>	<u>34,445</u>	<u>15</u>	<u>302</u>	<u>721,746</u>
<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	<u>\$ 17,607,114</u>	<u>\$ 17,498,213</u>	<u>\$ 1,581,965</u>	<u>\$ 851,245</u>	<u>\$ 72,575</u>	<u>\$ 37,611,112</u>

**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 Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Eliminations	Total
<b>ADDITIONS</b>							
Contributions:							
Employee Contributions	\$ 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	<u>959,139</u>	<u>1,208,384</u>	<u>369,531</u>	<u>50,055</u>	<u>3,892</u>	<u>-</u>	<u>2,591,001</u>
Investment Income:							
Net Increase in Fair Value 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	<u>1,422,297</u>	<u>2,001,356</u>	<u>115,314</u>	<u>92,596</u>	<u>7,248</u>	<u>-</u>	<u>3,638,811</u>
Less: Investment Expense	69,090	512,825	-	-	-	-	581,915
Net Investment Income	<u>1,353,207</u>	<u>1,488,531</u>	<u>115,314</u>	<u>92,596</u>	<u>7,248</u>	<u>-</u>	<u>3,056,896</u>
Other Additions:							
Other Operating Revenues	6,940	1,313	87,283	100	-	-	95,636
Total Other Additions	<u>6,940</u>	<u>1,313</u>	<u>87,283</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>95,636</u>
Total Additions	<u>2,319,286</u>	<u>2,698,228</u>	<u>572,128</u>	<u>142,751</u>	<u>11,140</u>	<u>-</u>	<u>5,743,533</u>
<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	<u>1,537,257</u>	<u>1,461,806</u>	<u>336,887</u>	<u>71,060</u>	<u>8</u>	<u>-</u>	<u>3,407,018</u>
<b>CHANGE IN NET POSITION</b>							
Net Position - Beginning	<u>782,029</u>	<u>1,236,422</u>	<u>235,241</u>	<u>71,691</u>	<u>11,132</u>	<u>-</u>	<u>2,336,515</u>
NET POSITION - ENDING	<u>\$ 17,607,114</u>	<u>\$ 17,498,213</u>	<u>\$ 1,581,965</u>	<u>\$ 851,245</u>	<u>\$ 72,575</u>	<u>\$ -</u>	<u>\$ 37,611,112</u>

**STATE OF NEW MEXICO  
FIDUCIARY FUNDS  
EXTERNAL INVESTMENT TRUST FUNDS FINANCIAL STATEMENTS**

**State Investment Council**

The State Investment Council (the Council) is responsible for the investment activities of certain State of New Mexico Trust Funds. Pursuant to New Mexico law, the Council created the following investment pools: Large Capitalization Active, Large Capitalization Index, Core Bonds, Structured Credit, Mid\Small Capitalization, Non-U.S. Equity Securities, Non-U.S. Emerging Markets, and Absolute Bonds. The investment pools provide long-term investment opportunities for state agencies and designated institutions that have funds available for a long-term investment program that will extend for more than one year. Only the portion of the fund that is not owned by the State is presented as an External Trust Fund. Other portions of the fund that are owned by State entities are presented in both the Governmental Funds and Proprietary Funds as assets of those respective entities.

**State Treasurer**

The Office of the State Treasurer holds and invests monies for other state agencies and local governments through the Local Government Investment Pool. Only the portion of the fund that is not owned by the State is presented as an External Trust Fund. Other portions of the fund that are owned by the State are presented in both the Governmental Funds and Proprietary Funds as assets of those respective entities.

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

	State Investment Council	State Treasurer	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,023	\$ -	\$ 4,023
Investment in Local Government Investment Pool	- 162,553	81 1,727,243	81 1,889,796
Investments	5,169	4,528	9,697
Receivables			
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			
Pool Participants	165,205	1,694,920	1,860,125
Net Position	<u>\$ 165,205</u>	<u>\$ 1,694,920</u>	<u>\$ 1,860,125</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 Investment Council	State 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>	<b><u>\$ 165,205</u></b>	<b><u>\$ 1,694,920</u></b>	<b><u>\$ 1,860,125</u></b>

**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)**

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Total
<b>ADDITIONS</b>					
Member Contributions	\$ -	\$ 178,178	\$ -	\$ 173,823	\$ 352,001
Total Contributions	-	178,178	-	173,823	352,001
Investment Income (Loss):					
Net Increase (Decrease) in Fair Value of Investments	-	177,992	-	(19,282)	158,710
Interest and Dividends	1	52,673	4	8,495	61,173
Subtotal	1	230,665	4	(10,787)	219,883
Less: Investment Expense	-	1,937	-	330	2,267
Net Investment Income (Loss)	1	228,728	4	(11,117)	217,616
Other Additions:					
Other Operating Revenues	-	-	-	144,908	144,908
Total Other Additions	-	-	-	144,908	144,908
Total Additions	1	406,906	4	307,614	714,525
<b>DEDUCTIONS</b>					
Distributions	-	336,009	-	128,762	464,771
General and Administrative Expenses	-	7,663	-	95,595	103,258
Total Deductions	-	343,672	-	224,357	568,029
<b>CHANGE IN NET POSITION</b>					
	1	63,234	4	83,257	146,496
Net Position - Beginning	71	2,283,659	116	512,854	2,796,700
<b>NET POSITION - ENDING</b>	<b>\$ 72</b>	<b>\$ 2,346,893</b>	<b>\$ 120</b>	<b>\$ 596,111</b>	<b>\$ 2,943,196</b>

**STATE OF NEW MEXICO  
NONMAJOR COMPONENT UNITS**

**Nonmajor Component Units**

There were 16 nonmajor component units at June 30, 2024. They are as follows: UNM Alumni Association; UNM Lobo Club; New Mexico Tech Foundation; New Mexico Highlands University (NMHU) Foundation; Western New Mexico University Foundation; Eastern New Mexico University (ENMU) Foundation; ENMU Roswell Foundation; ENMU Ruidoso Foundation; Northern New Mexico College Foundation; New Mexico Military Institute Foundation; New Mexico School for the Visually Impaired Foundation; Cumbres & Toltec Scenic Railroad Commission; New Mexico Renewable Transmission Authority; the New Mexico Small Business Investment Corporation; State-chartered Charter Schools; and New Mexico Hospital Equipment Loan Council.

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

	UNM 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
<b>ASSETS</b>									
Current Assets:									
Cash and Cash Equivalents	\$ 435	\$ 6,511	\$ 2,114	\$ 1,023	\$ 544	\$ 336	\$ 49	\$ 108	\$ 121
Investment in Local Government Investment Pool	-	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	1,109	-	-	-	839
Investments	11,170	-	25,823	-	-	-	-	-	-
Due from Primary Government	-	-	-	-	-	-	-	-	-
Receivables, Net	39	135	314	535	-	-	-	-	-
Other Current Assets	28	-	-	-	-	-	-	-	-
Prepaid Expenses	-	8	-	12	52	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Current Assets	11,672	6,654	28,251	1,570	1,705	336	49	108	960
Noncurrent Assets:									
Restricted Cash and Cash Equivalents	-	-	-	1,153	14,712	-	-	-	-
Restricted Investments	-	-	-	-	-	-	-	-	9,762
Loans Receivable, Net	-	-	-	-	-	-	-	-	-
Investments	-	-	14,110	15,938	13,157	32,998	22,140	633	-
Other Noncurrent Assets	-	-	374	-	-	-	-	-	-
Nondepreciable Capital Assets	-	-	568	6,238	297	143	-	-	-
Other Capital Assets, Net	-	-	562	-	43	-	-	-	-
Total Noncurrent Assets	-	-	15,614	23,329	28,209	33,141	22,140	633	9,762
Total Assets	11,672	6,654	43,865	24,899	29,914	33,477	22,189	741	10,722
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred Charge on Refunding	-	-	-	-	-	-	-	-	-
Deferred Outflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Outflows - Pension	-	-	-	-	-	-	-	-	-
Total Deferred Outflows	-	-	-	-	-	-	-	-	-

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

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
<b>ASSETS</b>								
Current Assets:								
Cash and Cash Equivalents	\$ 80	\$ 29	\$ 3,188	\$ 63	\$ 37	\$ 127,329	\$ 107	\$ 142,074
Investment in Local Government Investment Pool	-	-	-	1,645	29,511	-	-	31,156
Restricted Cash and Cash Equivalents	6,277	-	-	27	-	9,389	-	17,641
Investments	-	-	-	-	26,937	2,277	-	66,207
Due from Primary Government	1	-	597	-	-	14,699	-	15,297
Receivables, Net	58	-	3,119	891	349	4,395	49	9,884
Other Current Assets	-	-	-	-	-	-	-	28
Prepaid Expenses	4	-	34	3	14	759	1	887
Inventory	-	-	427	-	-	-	-	427
Total Current Assets	<b>6,420</b>	<b>29</b>	<b>7,365</b>	<b>2,629</b>	<b>56,848</b>	<b>158,848</b>	<b>157</b>	<b>283,601</b>
Noncurrent Assets:								
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	15,865
Restricted Investments	-	-	-	-	-	-	-	9,762
Loans Receivable, Net	-	-	-	-	97,194	-	-	97,194
Investments	69,862	248	-	-	2,240	-	2,782	174,108
Other Noncurrent Assets	9,717	-	-	10,178	656	791	-	21,716
Nondepreciable Capital Assets	-	-	1,244	-	-	55,325	-	63,815
Other Capital Assets, Net	-	-	19,658	72	-	248,988	-	269,323
Total Noncurrent Assets	<b>79,579</b>	<b>248</b>	<b>20,902</b>	<b>10,250</b>	<b>100,090</b>	<b>305,104</b>	<b>2,782</b>	<b>651,783</b>
Total Assets	<b>85,999</b>	<b>277</b>	<b>28,267</b>	<b>12,879</b>	<b>156,938</b>	<b>463,952</b>	<b>2,939</b>	<b>935,384</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred Charge on Refunding	-	-	-	-	-	406	-	406
Deferred Outflows - OPEB	-	-	-	-	-	42,903	-	42,903
Deferred Outflows - Pension	-	-	-	-	-	99,839	-	99,839
Total Deferred Outflows	-	-	-	-	-	<b>143,148</b>	-	<b>143,148</b>

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

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts Payable	\$ 84	\$ 76	\$ -	\$ 294	\$ 7	\$ 259	\$ -	\$ 50	\$ -
Accrued Liabilities	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	647	-	-	-	-	-	-	-
Due to Primary Government	-	2,558	50	-	391	-	-	-	289
Funds Held for Others	-	-	-	-	622	-	-	-	-
Other Liabilities	-	-	-	-	-	53	-	-	-
Bonds Payable - Current Portion	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities - Current Portion	-	-	-	96	35	-	-	-	-
Total Current Liabilities	<b>84</b>	<b>3,281</b>	<b>50</b>	<b>390</b>	<b>1,055</b>	<b>312</b>	<b>-</b>	<b>50</b>	<b>289</b>
Noncurrent Liabilities:									
Bonds Payable	-	-	-	-	-	-	-	-	-
Due to Primary Government	-	-	-	3,897	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities	-	-	-	369	-	-	-	-	-
Total Noncurrent Liabilities	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Liabilities	<b>84</b>	<b>3,281</b>	<b>50</b>	<b>4,656</b>	<b>1,055</b>	<b>312</b>	<b>-</b>	<b>50</b>	<b>289</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred Inflows - Pension	-	-	-	-	-	-	-	-	-
Deferred Inflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Inflows - Leases	-	-	165	-	-	-	-	-	-
Deferred Inflows - Other	-	-	-	-	-	-	-	-	-
Total Deferred Inflows	<b>-</b>	<b>-</b>	<b>165</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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)	<b>11,588</b>	<b>3,224</b>	<b>22,957</b>	<b>3,536</b>	<b>165</b>	<b>2,797</b>	<b>12,094</b>	<b>120</b>	<b>(168)</b>
Total Net Position (Deficit)	<b>\$ 11,588</b>	<b>\$ 3,373</b>	<b>\$ 43,650</b>	<b>\$ 20,243</b>	<b>\$ 28,859</b>	<b>\$ 33,165</b>	<b>\$ 22,189</b>	<b>\$ 691</b>	<b>\$ 10,433</b>

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

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
<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	<u>535</u>	<u>3</u>	<u>2,404</u>	<u>150</u>	<u>4,530</u>	<u>55,363</u>	<u>24</u>	<u>68,520</u>
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	<u>-</u>	<u>-</u>	<u>7</u>	<u>28</u>	<u>-</u>	<u>596,130</u>	<u>-</u>	<u>600,431</u>
Total Liabilities	<u>535</u>	<u>3</u>	<u>2,411</u>	<u>178</u>	<u>4,530</u>	<u>651,493</u>	<u>24</u>	<u>668,951</u>
<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	<u>-</u>	<u>-</u>	<u>3,286</u>	<u>-</u>	<u>-</u>	<u>115,919</u>	<u>-</u>	<u>119,370</u>
<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)	<u>24,768</u>	<u>46</u>	<u>1,677</u>	<u>-</u>	<u>1</u>	<u>(230,855)</u>	<u>2,915</u>	<u>(145,135)</u>
Total Net Position (Deficit)	<u>\$ 85,464</u>	<u>\$ 274</u>	<u>\$ 22,570</u>	<u>\$ 12,701</u>	<u>\$ 152,408</u>	<u>\$ (160,312)</u>	<u>\$ 2,915</u>	<u>\$ 290,211</u>

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

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
<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>									
	<b>\$ 11,588</b>	<b>\$ 3,373</b>	<b>\$ 43,650</b>	<b>\$ 20,243</b>	<b>\$ 28,859</b>	<b>\$ 33,165</b>	<b>\$ 22,189</b>	<b>\$ 691</b>	<b>\$ 10,433</b>

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

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
<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	<u>2,410</u>	<u>54</u>	<u>7,950</u>	<u>481</u>	<u>-</u>	<u>97,566</u>	<u>110</u>	<u>122,759</u>
<b>EXPENSES</b>	<u>2,741</u>	<u>45</u>	<u>8,304</u>	<u>1,312</u>	<u>483</u>	<u>323,685</u>	<u>111</u>	<u>354,130</u>
<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	<u>8,187</u>	<u>16</u>	<u>354</u>	<u>427</u>	<u>31,010</u>	<u>292,089</u>	<u>129</u>	<u>357,529</u>
<b>CHANGE IN NET POSITION</b>	<u>7,856</u>	<u>25</u>	<u>-</u>	<u>(404)</u>	<u>30,527</u>	<u>65,970</u>	<u>128</u>	<u>126,158</u>
Net Position - Beginning	<u>77,608</u>	<u>249</u>	<u>22,570</u>	<u>13,105</u>	<u>121,881</u>	<u>(226,282)</u>	<u>2,787</u>	<u>164,053</u>
<b>NET POSITION - ENDING (DEFICIT)</b>	<u><b>\$ 85,464</b></u>	<u><b>\$ 274</b></u>	<u><b>\$ 22,570</b></u>	<u><b>\$ 12,701</b></u>	<u><b>\$ 152,408</b></u>	<u><b>\$ (160,312)</b></u>	<u><b>\$ 2,915</b></u>	<u><b>\$ 290,211</b></u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION INFORMATION

The Statistical Section provides additional historical context and detail to aid in using the information in the financial statements, notes to the financial statements and required supplementary information for the primary government of the State of New Mexico in understanding and assessing the State's overall financial health.

### Financial Trends Information

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Schedule A-1	Net Position by Component	298
Schedule A-2	Changes in Net Position	300
Schedule A-3	Fund Balances, Governmental Funds	306
Schedule A-4	Changes in Fund Balances, Governmental Funds	308

### Revenue Capacity Information

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

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Schedule B-3	Revenue Payers by Industry – Taxable Sales, Services, and Use Tax Purchases	316
Schedule B-4	Revenue Payers – Personal Income Tax	317
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### Debt Capacity Information

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

Schedule C-1	Ratios of Outstanding Debt by Type	319
Schedule C-2	Long-Term Liabilities	321
Schedule C-3	Legal Debt Margin	323
Schedule C-4	Statutory Debt Limit – Severance Tax Bonds	325
Schedule C-5	Pledged Revenue Bond Coverage	327

### Demographics and Economic Information

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

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Schedule D-3	Composition of Labor Force	332
Schedule D-4	Public Higher Education Enrollment	334

### Operating Information

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Schedule E-1	Full-Time Equivalent State Employees by Function	336
Schedule E-2	Operating Indicators by Function	338
Schedule E-3	Capital Assets Statistics by Function	343

## STATISTICAL SECTION INFORMATION

### Other Information

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

Schedule F-1	Expenditures – Historical and Constant Dollars	345
Schedule F-2	Per Capita Expenditures – Historical and Constant Dollars	346

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	(3,746,933)	(3,536,668)	(3,860,356)	(4,103,700)	(4,658,434)
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	(1,137,073)	(1,953,436)	(2,014,143)	(1,891,399)	(970,769)
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	(4,884,006)	(5,490,104)	(5,874,499)	(5,995,099)	(5,629,204)
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	<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>
Net Position					
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	<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>
Net Position					
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	<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>
Net Position					

**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)

PROGRAM EXPENSES	Fiscal Year				
	2019		2017		2015
	2018	as Restated	2016		
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	<u>14,680,601</u>	<u>14,610,795</u>	<u>15,212,206</u>	<u>15,575,011</u>	<u>14,698,501</u>
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	<u>4,431,776</u>	<u>4,239,508</u>	<u>4,015,026</u>	<u>3,783,769</u>	<u>3,657,589</u>
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	\$ 18,193,351	\$ 23,088,253	\$ 21,193,647	\$ 20,141,184	\$ 15,143,877
<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	\$ (7,707,165)	\$ (4,750,916)	\$ (4,542,921)	\$ (7,343,917)	\$ (6,558,091)

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

	Fiscal Year				
	2019	2018	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	<u>376,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>22,997</u>	<u>12,437</u>	<u>11,607</u>	<u>6,906</u>	<u>12,524</u>
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	<u>(1,586,154)</u>	<u>(1,436,776)</u>	<u>(1,034,889)</u>	<u>(1,243,482)</u>	<u>(1,053,828)</u>
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 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><u>\$ 18,822,664</u></u>	<u><u>\$ 16,842,990</u></u>	<u><u>\$ 10,359,502</u></u>	<u><u>\$ 15,573,022</u></u>	<u><u>\$ 8,414,517</u></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	1,078,171	340,231	137,222	(475,788)	701,524
Total Primary Government	<u><u>\$ 11,115,499</u></u>	<u><u>\$ 12,092,074</u></u>	<u><u>\$ 5,816,581</u></u>	<u><u>\$ 8,229,105</u></u>	<u><u>\$ 1,856,427</u></u>

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

	Fiscal Year				
	2019	2018	as Restated	2016	2015
<b>GENERAL REVENUES AND OTHER 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	8,090,920	7,746,944	7,639,216	5,649,032	6,622,997
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	1,301,673	1,197,489	1,222,016	1,447,806	1,320,645
Total Primary Government	\$ 9,392,593	\$ 8,944,432	\$ 8,861,232	\$ 7,096,838	\$ 7,943,642
<b>CHANGE IN NET POSITION</b>					
Governmental Activities	\$ 3,397,411	\$ 2,379,179	\$ 1,006,124	\$ (1,223,955)	\$ 531,340
Business-Type Activities	(284,481)	(239,287)	187,127	204,324	266,817
Total Primary Government	\$ 3,112,929	\$ 2,139,893	\$ 1,193,253	\$ (1,019,629)	\$ 798,157

**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
<b>General Fund:</b>					
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
<b>Total General Fund</b>	<b>\$ 1,358,470</b>	<b>\$ 14,805,336</b>	<b>\$ 9,467,182</b>	<b>\$ 5,038,500</b>	<b>\$ 4,026,053</b>
<b>All Other Governmental Funds:</b>					
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)
<b>Total All Other Governmental Funds</b>	<b>\$ 2,147</b>	<b>\$ 41,909,487</b>	<b>\$ 36,070,010</b>	<b>\$ 34,751,754</b>	<b>\$ 26,926,640</b>
<b>All Governmental Funds:</b>					
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
<b>Total All Governmental Funds</b>	<b>\$ 1,360,617</b>	<b>\$ 56,714,823</b>	<b>\$ 45,537,192</b>	<b>\$ 39,790,255</b>	<b>\$ 30,952,693</b>

\* 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
<b>General Fund:</b>					
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
<b>Total General Fund</b>	<b>\$ 3,094,745</b>	<b>\$ 2,153,101</b>	<b>\$ 1,297,122</b>	<b>\$ 1,093,931</b>	<b>\$ 1,870,143</b>
<b>All Other Governmental Funds:</b>					
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)	-
<b>Total All Other Governmental Funds</b>	<b>\$ 26,689,193</b>	<b>\$ 24,619,169</b>	<b>\$ 22,502,371</b>	<b>\$ 20,785,555</b>	<b>\$ 20,998,429</b>
<b>All Governmental Funds:</b>					
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
<b>Total All Governmental Funds</b>	<b>\$ 29,783,938</b>	<b>\$ 26,772,270</b>	<b>\$ 23,799,493</b>	<b>\$ 21,879,486</b>	<b>\$ 22,868,572</b>

**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	<u>36,175,791</u>	<u>35,253,928</u>	<u>27,056,995</u>	<u>28,629,997</u>	<u>18,637,475</u>
<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	<u>26,812,468</u>	<u>24,316,972</u>	<u>21,555,494</u>	<u>20,047,926</u>	<u>17,275,695</u>
<b>EXCESS (DEFICIENCY) OF REVENUES 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)	<u>16,572</u>	<u>240,012</u>	<u>264,827</u>	<u>179,024</u>	<u>(225,282)</u>
<b>SPECIAL ITEM</b>					
Reduction of Loss Contingency	-	-	-	-	-
Native American Water Rights Settlement	-	-	-	-	-
Arizona Water Settlement	-	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other Financing Sources (Uses) and Special Items	<u>16,572</u>	<u>240,012</u>	<u>264,827</u>	<u>179,024</u>	<u>(225,282)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>\$ 9,379,895</u></u>	<u><u>\$ 11,176,968</u></u>	<u><u>\$ 5,766,328</u></u>	<u><u>\$ 8,761,095</u></u>	<u><u>\$ 1,136,498</u></u>
Debt Service as a Percentage of 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
				as Restated	
<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 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) and Special Items	(527,650)	(66,881)	(656,687)	(226,504)	(539,487)
<b>NET CHANGE IN FUND BALANCES</b>	\$ 3,033,329	\$ 2,968,483	\$ 1,774,572	\$ (846,884)	\$ 595,498
Debt Service as a Percentage of 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)**

REVENUES	Fiscal Year				
	2024	2023	2022 as Restated	2021 as Restated	2019 as Restated
	2024	2023	2022 as Restated	2021 as Restated	2019 as Restated
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 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	<u>4,841,821</u>	<u>4,786,120</u>	<u>4,146,752</u>	<u>3,474,972</u>	<u>3,568,332</u>
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	<u>2,157,398</u>	<u>1,691,043</u>	<u>1,393,641</u>	<u>1,803,304</u>	<u>1,677,518</u>
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	<u>2,820,362</u>	<u>2,130,182</u>	<u>1,772,471</u>	<u>1,956,077</u>	<u>1,755,060</u>
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	<u>1,978,150</u>	<u>2,142,083</u>	<u>1,984,370</u>	<u>819,965</u>	<u>440,093</u>
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	<u>33,367</u>	<u>49,881</u>	<u>23,785</u>	<u>25,499</u>	<u>54,464</u>
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)

REVENUES	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 as Restated	2016	2015
<b>Taxes and License Fees:</b>					
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 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
<b>License Fees:</b>					
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 as Restated	2021 as Restated	2019 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	<u>390,495</u>	<u>181,378</u>	<u>(118,318)</u>	<u>5,348</u>	<u>91,751</u>
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	<u>2,908,306</u>	<u>3,270,512</u>	<u>2,328,151</u>	<u>859,662</u>	<u>938,651</u>
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	<u>4,262</u>	<u>(403)</u>	<u>291</u>	<u>251</u>	<u>204</u>
Total Miscellaneous Receipts and Fees	<u>78,597</u>	<u>42,620</u>	<u>37,949</u>	<u>41,034</u>	<u>23,790</u>
Other Revenues:					
Miscellaneous Nonrecurring	22	30	22	482	219
Transfers - Reversions	-	-	-	-	-
Total Other Revenues	<u>22</u>	<u>30</u>	<u>22</u>	<u>482</u>	<u>219</u>
Total Other Revenue Sources	<u>3,377,420</u>	<u>3,494,540</u>	<u>2,247,804</u>	<u>2,251,347</u>	<u>889,020</u>
Total Revenues	<u><u>\$ 13,051,119</u></u>	<u><u>\$ 12,602,805</u></u>	<u><u>\$ 10,175,182</u></u>	<u><u>\$ 10,178,725</u></u>	<u><u>\$ 8,818,114</u></u>

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

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

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

	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 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	<b>\$ 7,372,516</b>	<b>\$ 7,297,524</b>	<b>\$ 6,807,482</b>	<b>\$ 5,861,243</b>	<b>\$ 5,859,922</b>

**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, 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, 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	2,542,704	100.0%	\$ 67,768,943	99.7%	958,240	100.1%	\$ 39,024,958	99.9%
State Gross Receipts Tax Rate		5.1%				5.1%		

Source: 2015 New Mexico Department of Taxation and Revenue, Monthly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

Source: 2023 New Mexico Department of Taxation and Revenue, Quarterly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

**STATE OF NEW MEXICO**  
**REVENUE PAYERS – PERSONAL INCOME TAX**  
**MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON**  
**(DOLLARS, EXCEPT FOR INCOME LEVEL, IN THOUSANDS)**

Income Level	2012				2022*			
	Number of Returns	Percent of Total	Personal Income Tax	Percent of Total	Number of Returns	Percent of Total	Personal Income Tax	Percent of Total
\$200,000 and Higher	19,740	2.2%	\$ 1,867,483	40.9%	12,497	7.8%	\$ 6,740,698	40.9%
\$100,000 - \$199,999	77,390	8.5%	1,162,986	25.4%	25,887	16.0%	3,567,047	21.7%
\$75,000 - \$99,999	67,740	7.5%	515,691	11.3%	15,181	9.4%	1,315,619	8.0%
\$50,000 - \$74,999	112,210	12.4%	536,639	11.7%	23,805	14.8%	1,466,486	8.9%
\$49,999 and Lower	628,280	69.4%	488,835	10.7%	83,965	52.0%	3,375,052	20.5%
Total	<u>905,360</u>	<u>100.0%</u>	<u>\$ 4,571,634</u>	<u>100.0%</u>	<u>161,335</u>	<u>100.0%</u>	<u>\$ 16,464,902</u>	<u>100%</u>

\* At the time of the preparation of the 2023 New Mexico State Annual Financial Report, the 2023 and 2022 tax year was unavailable.

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

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

Year	Top Tax Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of			Average Effective Rate, As Restated	
		Married Filing Jointly				
		Single	Head of 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					2020 as Restated
	2024	2023	2022	2021	2020 as Restated	
<b>Governmental Activities:</b>						
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	-	-	
<b>Total Governmental Activities</b>	<b>3,056,566</b>	<b>3,427,829</b>	<b>3,334,490</b>	<b>2,719,414</b>	<b>2,420,407</b>	
<b>Business-Type Activities*:</b>						
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	
<b>Total Primary Government</b>	<b>684,814</b>	<b>706,907</b>	<b>814,207</b>	<b>817,551</b>	<b>863,243</b>	
<b>Total Debt</b>	<b>\$ 3,741,380</b>	<b>\$ 4,134,736</b>	<b>\$ 4,148,697</b>	<b>\$ 3,536,965</b>	<b>\$ 3,283,651</b>	
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 as Restated	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated
<b>Governmental Activities:</b>					
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**	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>2,644,607</b>	<b>2,742,055</b>	<b>2,742,055</b>	<b>2,847,309</b>	<b>2,592,189</b>
<b>Business-Type Activities*:</b>					
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
<b>Total Primary Government</b>	<b>908,001</b>	<b>916,605</b>	<b>914,419</b>	<b>807,975</b>	<b>841,901</b>
<b>Total Debt</b>	<b>\$ 3,552,608</b>	<b>\$ 3,658,660</b>	<b>\$ 3,656,474</b>	<b>\$ 3,655,284</b>	<b>\$ 3,434,090</b>
New Mexico Personal Income	\$ 86,328,400	\$ 81,483,543	\$ 81,483,543	\$ 79,104,093	\$ 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
Total Governmental Activities	8,386,161	8,515,806	8,128,768	8,689,631	7,572,207
<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
Total Business-Type Activities	4,076,706	4,019,470	3,651,448	7,211,197	3,860,969
<b>Total Primary Government 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 As Restated	2017	2016	2015 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
Total Governmental Activities	7,836,208	6,457,243	5,714,725	5,601,144	3,720,148
<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
Total Business-Type Activities	5,107,453	3,367,742	2,895,600	805,526	1,160,073
<b>Total Primary Government 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	<u>309,913</u>	<u>541,220</u>	<u>414,365</u>	<u>505,295</u>	<u>260,760</u>
Legal Debt Margin	<u>\$ 771,921</u>	<u>\$ 343,956</u>	<u>\$ 474,473</u>	<u>\$ 197,841</u>	<u>\$ 445,720</u>
Legal Debt Margin as a Percentage of the Debt Limit	71.4%	38.9%	53.4%	28.1%	63.1%

## Note to Schedule:

The Constitution of the State of New Mexico, Article IX, Section 8, limits the State's outstanding general debt to a maximum of one percent of the net taxable value of all property subject to taxation within the State. The legal debt margin is the remaining borrowing authority available and is calculated by subtracting the bonded debt outstanding from the legal debt limit as calculated per Constitutional requirements.

Source: Note information regarding general bonded debt outstanding can be located within the State of New Mexico's annual financial report per fiscal year. Property value data was provided by the Department of Finance and Administration, Local Government Division, Financial and Property Tax Data by County and Municipality. Per capita information is based upon population data located in the Demographics and Economic Statistics schedule.

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

	Fiscal Year				
	2019	2018	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 Debt Limit Amount	1.0%	1.0%	1.0%	1.0%	1.0%
	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	\$ 342,437	\$ 217,719	\$ 263,248	\$ 193,552	\$ 287,240
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 Statutory Debt Limit Amount	<u>1,118,407</u>	<u>1,205,335</u>	<u>1,076,995</u>	<u>435,381</u>	<u>323,150</u>
Senior Bond Servicing Amount *	<u>226,530</u>	<u>226,530</u>	<u>208,274</u>	<u>428,500</u>	<u>146,965</u>
Statutory Debt Margin Amount	<u>\$ 891,877</u>	<u>\$ 978,805</u>	<u>\$ 868,721</u>	<u>\$ 6,881</u>	<u>\$ 176,185</u>
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 Bonding Fund	\$ 672,441	\$ 511,115	\$ 342,317	\$ 254,966	\$ 426,331
50.0% of Annual Deposits 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	\$ 206,484	\$ 113,398	\$ 26,393	\$ 110,994	\$ 84,124
Statutory Debt Margin as a Percentage of 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 Revenues Received	Annual Debt Service			Coverage
		Principal	Interest		
<b>Severance Tax Bonds (Including Supplemental Subordinate Liens):</b>					
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
<b>Highway Infrastructure Bonds:</b>					
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
<b>Energy and Minerals Bonds:</b>					
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 Revenues Received	Annual Debt Service			Coverage
		Principal	Interest		
<b>Cultural Affairs Bonds and Loan:</b>					
2024	\$ 509	\$ 0	\$ 0		0.0
2023	895	574	13		1.5
2022	865	557	26		1.5
2021	862	550	38		1.5
2020	868	581	50		1.4
2019	916	568	60		1.5
2018	892	558	65		1.4
2017	1,010	699	70		1.3
2016	821	331	128		1.8
2015	835	320	139		1.8
2014	455	459	224		0.7
<b>Miners' Colfax Medical Center Bonds:</b>					
2024	\$ 4,740	\$ 1,170	\$ 174		3.5
2023	7,577	1,110	149		6.0
2022	2,533	3,933	176		0.6
2021	7,616	1,060	203		6.0
2020	1,500	1,030	229		1.2
2019	2,954	1,008	252		2.3
2018	6,722	980	282		5.3
2017	6,317	955	315		5.0
2016	6,651	935	337		5.2
2015	5,759	910	277		4.9
2014	5,752	835	423		4.6
<b>State Fair (EXPO) Bonds:</b>					
2024	\$ -	\$ -	\$ -		0.0
2023	-	-	-		0.0
2022	-	-	-		0.0
2021	-	-	-		0.0
2020	-	-	-		0.0
2019	-	-	-		0.0
2018	-	-	-		0.0
2017	448	689	12		0.6
2016	1,070	687	36		1.5
2015	1,070	628	70		1.5
<b>Spaceport Authority Bonds:</b>					
2024	\$ 11,389	\$ 4,421	\$ 200		2.5
2023	10,777	4,399	222		2.3
2022	10,826	4,313	225		2.4
2021	13,595	3,565	2,083		2.4
2020	5,000	3,425	2,224		0.9
2019	4,216	3,280	2,367		0.7
2018	7,053	3,145	2,502		1.2

Debt not issued in prior years.

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

Fiscal Year	Pledged Revenues Received	Annual Debt Service			Coverage
		Principal	Interest		
<b>Bernalillo County Metropolitan Court:</b>					
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					
<b>Educational Institutions:</b>					
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					
<b>University of New Mexico Health Sciences:</b>					
2024	\$ -	\$ -	\$ -		0.0
2023	-	-	-		0.0
2022	-	2,920	-		0.0
2021	-	2,919	735		0.0
2020	-	-	-		0.0
Reported on UNM in Prior Years					
<b>General Services Department:</b>					
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 INDICTORS**  
**LAST TEN FISCAL YEARS**

Year	Population	Personal Income	Per Capita Personal Income	Median Age	* Percent High School Grad or Higher (Pop=25 Yrs & >)	Public School Enrollment
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
<b>Total Employees of Principal Employers</b>	<b>148,050</b>		<b>16.4%</b>	<b>120,356</b>		<b>13.8%</b>

## 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 as Restated	2015 as Restated
<b>Nonagricultural Jobs:</b>					
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
<b>Total Nonagricultural Jobs</b>	<b>866,300</b>	<b>825,500</b>	<b>830,600</b>	<b>827,700</b>	<b>826,400</b>
<b>Civilian Labor Force</b>	<b>966,624</b>	<b>949,047</b>	<b>929,567</b>	<b>928,732</b>	<b>927,999</b>
<b>Total Employed</b>	<b>920,787</b>	<b>904,196</b>	<b>872,382</b>	<b>866,704</b>	<b>867,387</b>
<b>Unemployed</b>	<b>45,837</b>	<b>44,851</b>	<b>57,185</b>	<b>62,028</b>	<b>60,612</b>
<b>Unemployment Rate</b>	<b>4.7%</b>	<b>4.8%</b>	<b>6.2%</b>	<b>6.7%</b>	<b>6.5%</b>
<b>Seasonally Adjusted Rate</b>	<b>4.7%</b>	<b>4.7%</b>	<b>6.4%</b>	<b>6.7%</b>	<b>6.6%</b>

**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	-	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
<b>Total Full-Time Equivalent State Employees</b>	<b>28,786.8</b>	<b>27,308.8</b>	<b>26,947.0</b>	<b>27,023.9</b>	<b>26,024.2</b>
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 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
<b>Total Full-Time Equivalent State Employees</b>	<b>25,466.6</b>	<b>25,364.0</b>	<b>25,863.0</b>	<b>25,808.0</b>	<b>25,496.3</b>
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 18 23 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 as Restated	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated
<b>General Government:</b>					
Operations:					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) <small>8 11 24 39 43 50</small>	39 <sup>th</sup>	39 <sup>th</sup>	39th	30th	36th
Taxation:					
% of Electronically Filed Personal Income Tax Returns <small>9 14 15 19 23 37 44, 47</small>	88%	87%	86%	85%	92%
% of Motor Vehicle Registrations Issued (with Liability Insurance) <small>14 15 19 23 37 44 47</small>	90%	90%	90%	92%	91%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions <small>8 10 14 15 19 23 37 44 47</small>	\$12.9	\$14.6	\$11.5	\$11.6	\$10.4
Regulation:					
# of Vehicular Port Traffic at New Mexico Ports <small>10 14 15 18 26 38 45 48</small>	1,548,500	1,597,023	1,571,366	1,589,396	1,463,046
Number of registered nurse licenses active on June 30 <small>10 15 18 25 40 46 49</small>	24,711	19,340	16,872	16,251	14,854
Tri-Annual Physician Licenses Issued <small>10 14 15 18 27 38 45 48</small>	4,086	4,059	4,116	3,744	3,841
Biennial Physician Assistant Licenses Issued <small>10 15 18 27 38 45 48</small>	556	487	455	451	476
Public Safety:					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau <small>10 14 15 19 28 41 45 48</small>	NA	19,500	16,590	10,408	14,775
# of Traffic Fatalities <small>9 14 15 18 23 37 44 47</small>	417	369	383	366	347
# of Driving While Intoxicated Fatalities <small>9 14 15 18 23 37 44 47</small>	157	143	163	149	155
# of Driving While Intoxicated Arrests <small>9 14 15 18 23 37 44 47</small>	2,171	2,574	N/A	N/A	N/A
Education:					
Public:					
# of High School Graduates (4 year) <small>1 29 42</small>	26,092	26,288	26,587	25,926	25,863
Student Dropout Rate for Grades 9 - 12 <small>2 30 42 52</small>	NA	NA	3.8%	4.4%	4.4%
Public School Capital Outlay Allocation (\$ Millions) <small>4</small>	N/A	N/A	N/A	546	895
Higher:					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) <small>8 10 14 15 18 38 45 48</small>	54%	50%	49%	48%	48%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years <small>8 10 14 15 21</small>	N/A	N/A	N/A	75%	72%
Health and Human Services:					
% of Children Receiving Services in Medicaid Managed Care <small>10 14 15 23 38 44 47</small>	75%	72%	85%	85%	86%
% of Child Support Collected of Support Owed <small>9 14 15 18 23 38 45 48</small>	58%	57%	56%	56%	56%
# of Homeless Veterans Provided Shelter <small>8 10 14 15 21 31</small>	N/A	N/A	503	491	360
% of Children Adopted within 24 Months of Entry into Foster Care <small>8 10 14 15 23 37 44 48 (Split into two time periods for 2020)</small>	27%	28%	25%	23%	32%
% of Abused Children with Repeat Maltreatment <small>9 14 15 23 38 45 48</small>	17%	15%	15%	12%	11%
% of Preschoolers Fully Immunized <small>9 14 15 18 45 48</small>	64%	61%	72%	NA	76%
# of Operating School-Based Health Centers <small>13 14 15 32</small>	73	73	70	72	80
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) <small>18 21 26 45 48</small>	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
<b>Corrections:</b>					
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%
<b>Culture and Recreation:</b>					
# 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
<b>Natural Resources, Environment:</b>					
# of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>	31,000	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%
<b>Business, Labor, and Agriculture:</b>					
% of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup>	61%	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
<b>Highways and Transportation:</b>					
# 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 as Restated	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated
<b>Corrections:</b>					
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%
<b>Culture and Recreation:</b>					
# 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
<b>Natural Resources, Environment:</b>					
# of Inspections of Oil and Gas Wells and Associated Facilities <sup>8 14 15 23 37 44 47</sup>	31,043	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
<b>Business, Labor, and Agriculture:</b>					
% of Adults Who Entered Employment in 1 <sup>st</sup> Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) <sup>9 14 15 17 19 23 37 45 48</sup>	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
<b>Highways and Transportation:</b>					
# 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

- 1 New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates
- 2 [New Mexico Dropout Report published by New Mexico Public Education Department](#)
- 4 New Mexico Public Schools Finance Authority
- 8 [Report of the Legislative Finance Committee to the Legislature Second Session](#), Vol. II  
102, 103, 104, 105, 106, 108, 112, 113, 114, 122, 123, 172, 178, 187, 188, 194, 262, 287, 291, 303, 322, 323, 336, 338
- 9 [Report of the Legislative Finance Committee to the 51th Legislature Second Session](#), January 2014, Vol. I, Pg. 89, 98, 99, 100, 101, 105, 108, 112, 115, 116, 124, 125, 132, 133
- 10 [Report of the Legislative Finance Committee to the 51th Legislature Second Session](#), January 2014, Vol. II, Pg. 41, 59, 121, 150, 157, 159, 185, 230, 276, 278, 283, 330, 332
- 11 [Pension fund rankings by state-Crain's Chicago Bs](#), <http://www.chicagobusiness.com/article/20130110/NEWS07/130109847/pension-fund-rankings-by-state-were-no-50>
- 12 [New Mexico Transportation By The Numbers](#): [http://www.tripnet.org/docs/NM\\_Transportation\\_By\\_The\\_Number](http://www.tripnet.org/docs/NM_Transportation_By_The_Number)
- 13 [New Mexico Alliance for School-Based Health Care \(NMASBHC\)](#): <http://www.nmasbhc.org/index.html>
- 14 [Report of the Legislative Finance Committee to the 52th Legislature Second Session](#), January 2015, Vol. I, Pg. 88, 90, 98, 99, 100, 101, 105, 108, 112, 113, 116, 117, 121, 122, 123, 129, 130; Vol II pg. 126, 134, 136, 149, 156, 158, 176, 184, 226, 285, 307, 324, 342, 344
- 15 [Report of the Legislative Finance Committee to the 52th Legislature Second Session](#), January 2016, Vol. II, Pg. 152, 327, 343, 356, 505
- 17 [Report of the Legislative Finance Committee to the 53rd Legislature First Session](#), January 2017, Vol. I, Pg. 91, 103, 116
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- 19 [Report of the Legislative Finance Committee to the 50th Legislature First Session](#), January 2011, Vol. II, Pg. 157, 243
- 21 [Report of the Legislative Finance Committee to the 52nd Legislature First Session](#), January 2015, Vol. II, Pg. 261, 285, 343
- 22 [Mercatus Center - George Mason University](#), [www.mercatus.org/statefiscrankings](http://www.mercatus.org/statefiscrankings)
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- 24 [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)
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- 26 [Report of the Legislative Finance Committee to the 54rd Legislature First Session](#), January 2018, Vol. II, Pg. 121, 240
- 27 [New Mexico Medical Board - E-mailed](#)
- 28 [New Mexico Public Regulation Commission - Annual Report FY 2017](#), Pg. 14, 16
- 29 [New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates \\$ Year Graduation Rate Cohort 2017](#)
- 30 [New Mexico Public Education E-Mail - CFO](#)
- 31 [New Mexico Veterans' Services Department Performance Measures Summary](#), Pg. 1
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- 34 [New Mexico Department of Cultural Affairs - E-mail CIO](#)
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- 39 [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)
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- 49 [New Mexico Board of Nursing - Annual Report FY 20120 Pg 29](#)
- 50 [https://ipfiusa.org/wp-content/uploads/2019/08/Public-Pension-Performance\\_IPFI\\_August2019.pdf](https://ipfiusa.org/wp-content/uploads/2019/08/Public-Pension-Performance_IPFI_August2019.pdf) Pg. 10-12
- 51 <https://www.iihs.org/topics/fatality-statistics/detail/state-by-state>
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Note: The State of New Mexico passed the Accountability in Government Act, NMSA 6-3A, in 1999. Efforts have been made in identifying and determining performance measurements since that time. Agencies began tracking and calculating these performance measurements beginning in fiscal year 2004. These operating indicators will continue to be tracked in the future in order to reach a ten year historical comparison.

N/A <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

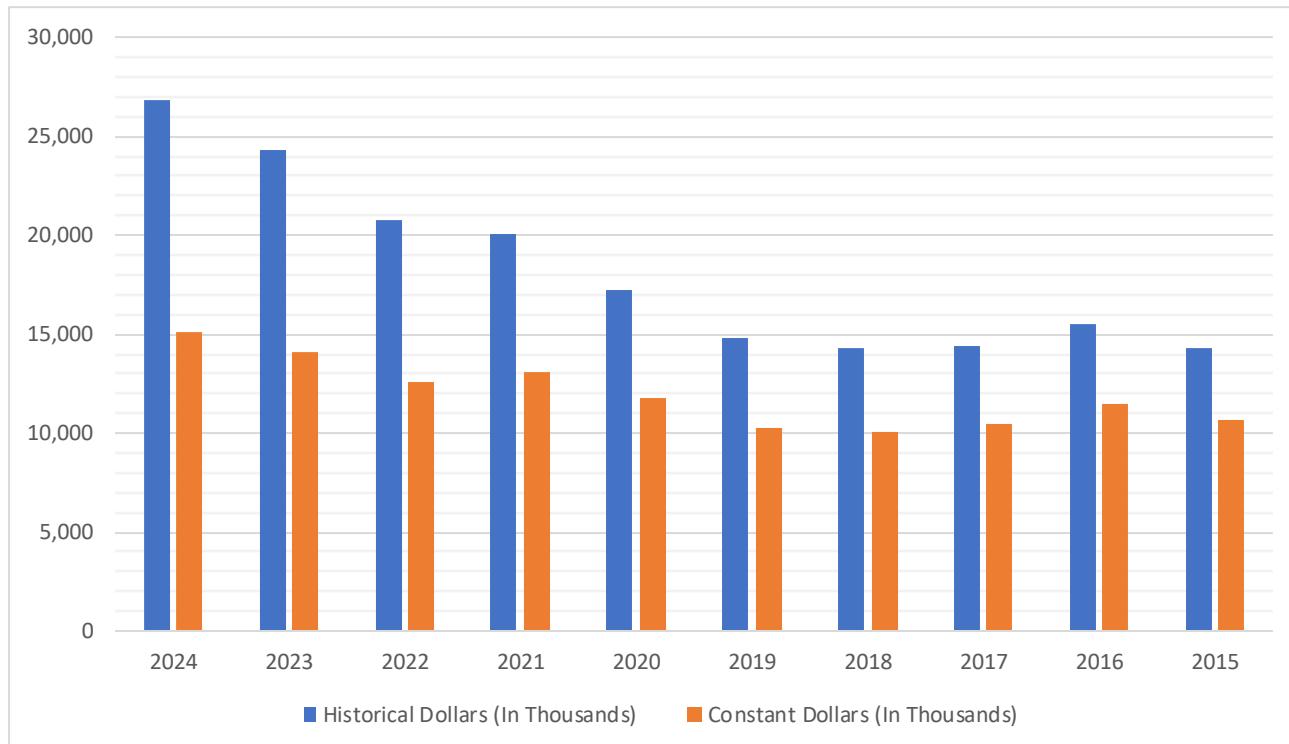
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Number of Juvenile Centers in New Mexico (Bing)  
Number of rehabilitation facility in New Mexico (Bing)  
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**STATE OF NEW MEXICO  
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL 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

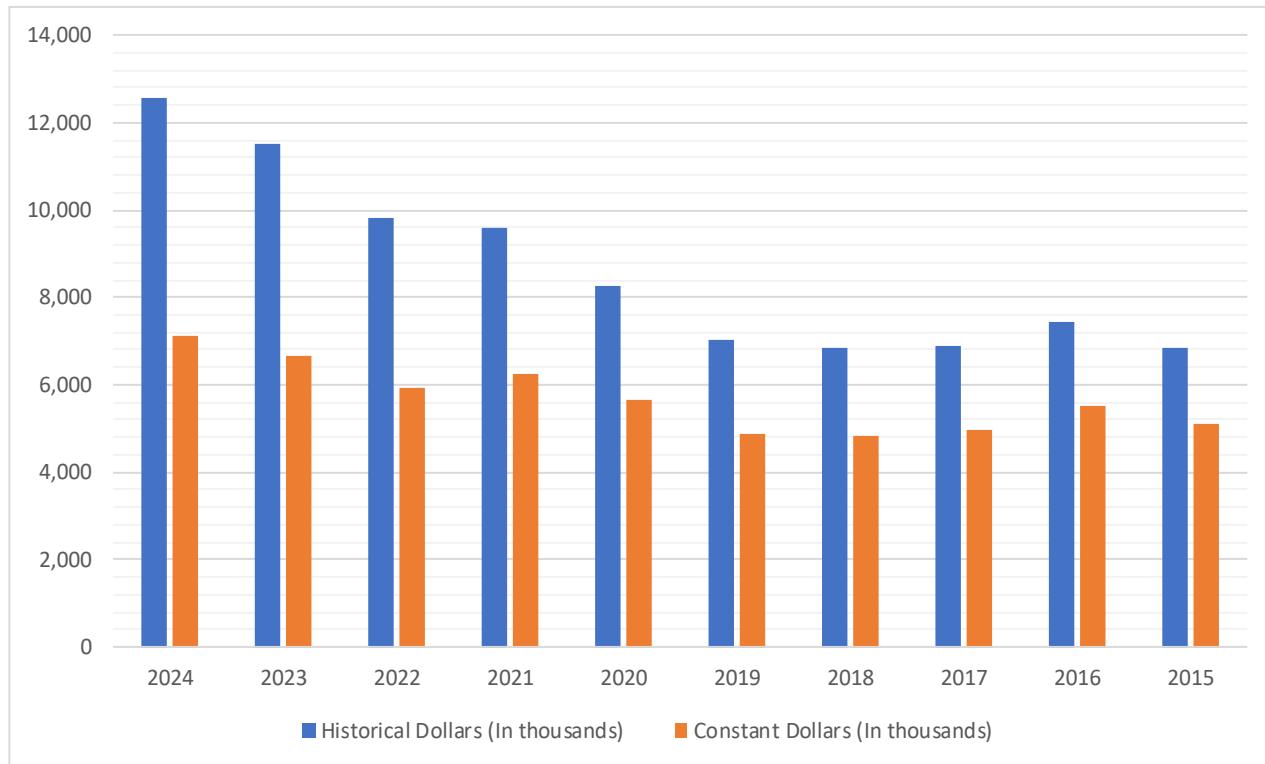
**STATE OF NEW MEXICO**  
**EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS**  
**ALL GOVERNMENT FUND TYPES**  
**LAST TEN FISCAL YEARS**



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  no
  - Significant deficiency(ies) identified?  yes \_\_\_\_\_ none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes  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.