

STATE OF NEW MEXICO
OFFICE OF THE
STATE TREASURER
Financial Statements
for the Year Ended
June 30, 2009,
and Independent
Auditors' Report

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

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**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Official Roster

Year Ended June 30, 2009

Office of the State Treasurer

James B. Lewis, State Treasurer

Mark F. Valdes, Deputy State Treasurer

State Treasurer's Investment Committee

James B. Lewis, Chairman

Sheila Duffy, Chief Investment Officer, Investment Division Director

Steve Bohlin, Member

Paul Cassidy, Member

Olivia Padilla-Jackson, State Board of Finance Member

INDEPENDENT AUDITORS' REPORT

Honorable Bill Richardson, Governor
State Board of Finance
Honorable James B. Lewis, State Treasurer
Honorable Hector H. Balderas, State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund of the State of New Mexico Office of the State Treasurer (State Treasurer) as of and for the year ended June 30, 2009, which collectively comprise the State Treasurer's basic financial statements as listed in the table of contents. We have also audited the fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the State Treasurer's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State Treasurer's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinions.

As discussed in Note 1, the financial statements of the State Treasurer are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of the State of New Mexico that is attributable to the transactions of the State Treasurer. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2009, and the changes in the financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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An Independent Member of the BDO Seidman Alliance

Honorable Bill Richardson, Governor
State Board of Finance
Honorable James B. Lewis, State Treasurer
Honorable Hector H. Balderas, State Auditor
Santa Fe, New Mexico

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the State Treasurer as of and for the year ended June 30, 2009, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary funds of the State Treasurer as of June 30, 2009, and the respective changes in financial position, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009, on our consideration of the State Treasurer's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis presented on pages 4 through 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The additional schedules listed as supplementary information in the table of contents (Schedules 1 and 6 through 10) are presented for purposes of additional analysis and have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyners + Company, LLC

December 14, 2009

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis
Year Ended June 30, 2009**

The State of New Mexico Office of the State Treasurer's (State Treasurer) Management's Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the State Treasurer's financial activity, identify changes in the State Treasurer's financial position (ability to address future year challenges), identify any material deviations from the financial plan, and identify any fund issues of concern.

The MD&A is designed to focus on the past year's activities, resulting changes and currently known facts; please read it in conjunction with the State Treasurer's financial statements and notes which follow this section.

Significant Highlights

New Mexico State Treasurer James B. Lewis accepted the recommendations of his Blue Ribbon Commission to provide staff with continuing education and training to further achieve the goals of the State Treasurer's Office. Treasurer Lewis offered to all staff members approximately 12 training and education seminars, including four levels of training in Microsoft Excel and Word applications, supervisory training, orientation on banking operations, trading updates, information technology systems certification, and professional and governmental classes. This continuing education and training has enhanced the skills and performance of State Treasurer's Office staff and management.

The Statewide Human Resources, Accounting, and Management Reporting System (SHARE) presented significant challenges to the State Treasurer's Office and to most, if not, all state agencies. Through the collaborative efforts of the State Treasurer's Office and the Department of Finance and Administration (DFA) these challenges are being addressed. The State Treasurer's Office and the DFA designed the State Treasurer's Investment Transaction Matrix, which was tested with positive results. The transaction matrix has led to timely and accurate updates to banking and investment processes and more efficient business practices. State agencies also have a clearer understanding of their responsibilities and the responsibilities of the State Treasurer's Office. The State Treasurer's Investment Transaction Matrix is currently undergoing a review by the State Treasurer and DFA in relation to the "Book to Bank Reconciliation." These changes, which should be implemented in fiscal year 2010, will greatly enhance the reconciliation and completion of the "Book to Bank Reconciliation."

Treasurer Lewis, his staff, the agency's legal counsel, the State Personnel Office and the labor union have reviewed all existing internal policies and procedures to ensure compliance with state and federal law, the collective bargaining agreement, and State Personnel Board rules. The policy and procedures manuals were reviewed during fiscal year 2008 were finalized in 2009.

The State Treasurer's Office developed a disaster recovery plan, with a "hot site" location in Albuquerque and received partial funding to implement the plan. Now completed, it is the first true business continuity plan implemented in the case that an unforeseen disaster at the current office location prevents treasury operations as usual from occurring. The "hot site" location will provide equipment and office space to allow critical staff to perform their banking, investment and administrative functions off site to ensure business continuity.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Significant Highlights - continued

During fiscal year 2008, the State Treasurer's Office worked with state law enforcement authorities to apprehend suspects engaging in check fraud schemes with the state's bank accounts. A large meeting was sponsored by the State Treasurer's Office, which included Attorney General, State Auditor, the DFA, federal, state and local law enforcement and the state's fiscal agent bank to discuss and seek solutions to the bank/check/warrant fraud problem. In 2009, a large forum sponsored by the Albuquerque Chamber of Commerce was scheduled to raise awareness in the business community about the problem and discuss ways of preventing fraudulent bank transactions using state accounts.

The Cash Management Division solicited additional human resources from various internal and external sources in fiscal years 2008 and 2009 to assist with the backlog of unreconciled items in the bank reconciliation from prior fiscal years. These resources originated from internal assistance of other divisions, temporary external employee assignments from the DFA and through temporary hires. Significant progress was made on this backlog during fiscal years 2008 and 2009.

In fiscal year 2009, the State Treasurer's Office reviewed, made necessary revisions and received State Board of Finance approval to the State Treasurer's Investment Policy and the Approved Broker/Dealer list. This is done annually as mandated by the State Treasurer's Investment Policy.

The State Treasurer's Office implemented the new state Linked Deposit program that was authorized the 2007 Legislature and signed into law by the Governor. State Treasurer's staff met with the New Mexico Bankers Association and Independent Community Bankers Association to discuss this new program and also the administration of the existing Certificate of Deposit program, where the State Treasurer deposits state funds in banks across the state. These investments in banks provide economic development to communities, statewide.

Financial Highlights

- The State Treasurer's net assets decreased by \$82,946,270.
- The General Fund's main revenue was appropriations, which amounted to ninety-nine percent (99%) of all revenue.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the State Treasurer's basic financial statements. The State Treasurer's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Overview of the Financial Statements - continued

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the State Treasurer's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the State Treasurer's assets and liabilities, the difference between the two being reported as net assets.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal year periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The State Treasurer, like other State and local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State Treasurer can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Overview of the Financial Statements - continued

Fund Financial Statements - continued

Governmental Funds - continued.

The State Treasurer maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, General Obligation Bond Fund, Severance Tax Bond Fund, and the Gaming Suspense Fund, all of which are considered to be major funds. The General Obligation and Severance Tax Bond funds combine into a single, aggregated presentation of the activity of each individual bond issue.

Individual bond transaction data of these governmental funds is provided in the form of combining statements elsewhere in this report.

The State Treasurer adopts an annual operating budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the State Treasurer. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the State Treasurer's own programs.

Fiduciary funds provide the same type of information as the government-wide financial statements, only in more detail. The fiduciary fund financial statements provide separate information for the Short-term Investment Pool, Consolidated Investment Pool, and State Funds Investment Pool and The Reserve Contingency Pool. The State Treasurer's fiduciary funds account for cash, securities, and other investments identified and held in custody on behalf of local and State government agencies, and are separately identified by the types of State and local agencies for which the funds are held. The Short-term Investment Pool accounts for the Local Government Investment Pool (LGIP), the Consolidated Investment Pool accounts for funds held in custody for both State and local government agencies, and the State Funds Investment Pool accounts for funds identified and held in custody on behalf of State agencies. The Reserve Contingency Pool accounts for funds held in custody for local government agencies.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a user's full understanding of the data provided in the government-wide and fund financial statements, and begin on page 24 of this report.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Other Information

The combining statements referred to earlier in connection with the General Obligation and Severance Tax Bond funds are presented immediately following the notes to the financial statements. Combining statements, schedules of capital assets, and schedules of long-term debt can be found beginning on page 70 of this report. Fiduciary schedules begin on page 90.

Required Supplementary Information (Other than MD&A)

In addition to the basic statements and accompanying notes, this report also presents certain required supplementary information concerning the State Treasurer's progress in funding its obligation to provide pension benefits to its employees.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Government-wide Financial Analysis

Net Assets: Table A-1 summarizes the State Treasurer's net assets for the fiscal year ended June 30, 2009. Total State Treasurer net assets for fiscal year 2009 are \$250,548,731. However, most of those net assets are restricted as to the purposes for which they can be used.

**Table A-1
The State Treasurer's Net Assets**

	2009	2008
Assets:		
Cash, cash equivalents and repurchase agreements	\$ 232,919,856	106,800,299
Due from other agencies	48,085,681	1,014,225,384
Accrued interest and other receivables	461	3,821,128
Prepaid expense	-	97,796,098
Capital assets, net	<u>151,677</u>	<u>148,206</u>
Total assets	\$ <u>281,157,675</u>	<u>1,222,791,115</u>
Current liabilities:		
Accounts payable and other	\$ 30,465,262	850,103,059
Compensated absences, amounts due in one year	<u>143,682</u>	<u>144,638</u>
Total liabilities	30,608,944	850,247,697
Net assets:		
Invested in capital assets	151,677	148,206
Restricted	249,877,585	372,539,850
Unrestricted	<u>519,469</u>	<u>(144,638)</u>
Total net assets	<u>250,548,731</u>	<u>372,543,418</u>
Total liabilities and net assets	\$ <u>281,157,675</u>	<u>1,222,791,115</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the State Treasurer, assets exceeded liabilities by \$250,548,731 at the close of the most recent fiscal year.

By far the largest portion of the State Treasurer's net assets reflects amounts to be provided to satisfy its General Obligation and Severance Tax Bond obligations. It is the responsibility of the State Treasurer to record and administer debt on behalf of the agencies and departments of the State of New Mexico. The proceeds of bond issues authorized by the State Board of Finance are transferred to various State agencies in the form of grants.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Government-wide Financial Analysis - continued

The State Treasurer anticipates the future tax revenues generated will be adequate to service the debt obligations.

An additional portion of the State Treasurer's net assets, \$249,877,585, represents resources that are subject to external restrictions on their use.

Changes in Net Assets: Governmental activities decreased the State Treasurer's net assets in the governmental financial statements by \$82,946,270. Key elements of this increase are shown in Table A-2.

**Table A-2
Changes in the State Treasurer's Net Assets**

YEARS ENDED JUNE 30,	2009	2008
Governmental Activities:		
Revenues:		
Program Revenues:		
Operating grants	\$ <u>3,083</u>	<u>4,824</u>
Total Program Revenues	3,083	4,824
General Revenues:		
State General Fund appropriations (net)	4,425,902	4,345,364
State Property Tax Levy	65,075,456	56,195,565
Severance and Other Taxes	438,295,970	604,747,117
Interest Revenue	<u>50,806,488</u>	<u>58,303,246</u>
Total General Revenues	<u>558,603,816</u>	<u>723,591,292</u>
Total Revenues	558,606,899	723,596,116
Expenses:		
General Government	(6,511,432)	(5,028,092)
Debt Service Activity	(608,749,799)	(1,344,276,600)
Other sources (uses):		
Trans bond proceeds	-	775,646,750
Operating financing sources (uses)	<u>(26,291,938)</u>	<u>-</u>
Net Expenses (Revenue)	<u>(641,553,169)</u>	<u>(573,657,942)</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Management's Discussion and Analysis - continued
Year Ended June 30, 2009

Government-wide Financial Analysis - continued

**Table A-2
Changes in the State Treasurer's Net Assets - continued**

Increase (Decrease) in Net Assets	\$	(82,946,270)	149,938,174
Net Assets, Beginning of Year		371,463,933	221,512,425
Prior Period Adjustment		<u>(37,968,932)</u>	<u>13,334</u>
Net Assets, Beginning of Year, Restated		<u>333,495,001</u>	<u>221,525,759</u>
Net Assets, End of Year	\$	<u>250,548,731</u>	<u>371,463,933</u>

Financial Analysis of the Government's Funds

As noted earlier, the State Treasurer uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the State Treasurer's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State Treasurer's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the State Treasurer's governmental funds reported combined ending fund balances of \$250,540,736, a decrease of \$120,923,197 in comparison with the prior year. This decrease includes an adjustment to prior period of \$37,968,932. The primary reason for the significant increase in the overall change in net assets is the increase in severance tax receipts.

The fund balance of the State Treasurer's general fund decreased by \$12,548 during the current fiscal year. This was not a significant change from the prior year.

The fund balance of the State Treasurer's individual debt service funds increased in comparison to the prior year due to new bond issues and an increase in interest income as disclosed in Schedule 3 – Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – General Obligation Bond Debt Service Funds, and Schedule 5 – Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Severance Tax Bond Debt Service Funds.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Management's Discussion and Analysis - continued
Year Ended June 30, 2009

General Fund Budgetary Highlights

There were no significant variations between the original budget and the final amended budget.

There were no significant variances between final budget amounts and actual budget results for the General Fund. The General Fund actual expenditures were less than the final budgeted amounts by one percent (1%). There were no significant variances between final budget amounts and actual budget results for the General Fund.

Capital Assets and Debt Administration

Capital Assets. The State Treasurer's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$151,677, net of accumulated depreciation. This investment in capital assets includes equipment. The State Treasurer's capital assets increased by \$44,211, mainly due to purchases of equipment.

Additional information on the State Treasurer's capital assets can be found in Note 4 of this report.

GASB #34 requires the recording and depreciation of infrastructure assets such as roads, bridges and traffic signals. The State Treasurer does not own any infrastructure assets.

Long-Term Debt. For the year ended June 30, 2009, the State Treasurer was responsible for administering debt service payments on total bonded debt outstanding of \$1,080,445,000, all of which is secured by pledged tax revenues. More detailed information about the State Treasurer's long-term debt is presented in Note 5 to the financial statements and Schedule 6. Long-term debt decreased by \$242,212,208 from the prior year due to three new bonds issued in fiscal year ended June 30, 2009.

	<u>Total</u>	
	<u>2009</u>	<u>2008</u>
General Obligation Bonds	\$ 453,730,000	456,709,904
Severance Tax Bonds	<u>626,715,000</u>	<u>865,947,304</u>
Total principal balances	\$ <u>1,080,445,000</u>	<u>1,322,657,208</u>

Economic Factors and Next Year's Budgets and Rates

- Additional resources were added to improve the investment function. A portfolio manager was added to manage the new bond proceeds portfolio. The Local Government Investment Pool received its maiden rating (AAAm) from Standard & Poor's. These additional resources greatly benefited the investment function of the State Treasurer.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Management's Discussion and Analysis - continued
Year Ended June 30, 2009**

Economic Factors and Next Year's Budgets and Rates - continued

- The State Treasurer contracted for a higher level of legal services to assist with investment and other internal policy updates, provide legal counsel for various personnel lawsuits and grievance hearings, and draft proposed legislation and other miscellaneous legal advice.
- The State Treasurer added resources to implement numerous recommendations included in the forensic audit prepared by Deloitte.
- The State Treasurer initiated personnel, system, facility and security recommendations made by the Office of the Chief Information Officer.
- The State Treasurer reduced IT budget based on decommissioning of TRACS and recognized staffing efficiencies in banking operations due to SHARE implementation.
- During fiscal year 2010, the state of New Mexico has experienced some severe shortfalls in revenue due to the economic state of the financial markets worldwide. Drastic budget reductions occurred in fiscal year 2010 and will continue for the next two (2) years.

These factors were considered in preparing the State Treasurer's budget for fiscal year 2010.

Contacting the State Treasurer's Financial Management

This financial report is designed to provide a general overview of the State Treasurer's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

James B. Lewis, State Treasurer
Office of the State Treasurer
P.O. Box 608
Santa Fe, New Mexico 87504-0608

FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Statement of Net Assets

AS OF JUNE 30, 2009

	Governmental Activities
ASSETS:	
Investment in State General Fund Investment Pool	\$ 290,198
Repurchase agreements	232,629,658
Due from other agencies	48,085,681
Other receivables	461
Capital assets, net of accumulated depreciation:	
Equipment	<u>151,677</u>
TOTAL ASSETS	\$ <u>281,157,675</u>
LIABILITIES AND NET ASSETS:	
Accounts payable	\$ 128,935
Accrued payroll	121,011
Accrued payroll taxes	27,944
Due to State General Fund	67,836
Due to Severance Tax Permanent Fund	30,119,536
Compensated absences	<u>143,682</u>
TOTAL LIABILITIES	30,608,944
NET ASSETS:	
Invested in capital assets	151,677
Restricted for:	
Debt service	248,347,477
Debt service-arbitrage	1,530,108
Unrestricted	<u>519,469</u>
TOTAL NET ASSETS	<u>250,548,731</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>281,157,675</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Statement of Activities

YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenue	Net (Expenses) Revenue and Changes in Net Assets <u>Primary Government</u>
PRIMARY GOVERNMENT:			
GOVERNMENTAL ACTIVITIES:			
General government	\$ 6,471,033	3,083	(6,467,950)
Interest on debt service activity	40,760,215	-	(40,760,215)
Depreciation	40,399	-	(40,399)
TOTAL GOVERNMENTAL ACTIVITIES	47,271,647	3,083	(47,268,564)
GENERAL REVENUES:			
State property tax levy			65,075,456
UNRESTRICTED INVESTMENT EARNINGS			
BOND ACTIVITY:			
Bond principal payments			(567,989,584)
TRANSFER FROM (TO) STATE AGENCY:			
State general fund appropriations			4,465,600
Reversions to State General Fund FY09			(39,698)
Other state agencies			(26,291,938)
Interest			50,806,488
Severance taxes			438,295,970
TOTAL GENERAL REVENUES AND TRANSFERS			(35,677,706)
CHANGE IN NET ASSETS			(82,946,270)
NET ASSETS, BEGINNING			371,463,933
RESTATEMENT			(37,968,932)
NET ASSETS, BEGINNING, restated			333,495,001
NET ASSETS, ENDING		\$	250,548,731

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Balance Sheet - Governmental Funds

AS OF JUNE 30, 2009

	Major Funds				Total Governmental Funds
	General Fund	General Obligation Bond Fund	Severance Tax Bond Fund	Gaming Suspense Fund	
ASSETS:					
Investment in State General Fund					
Investment Pool	\$ 262,060	-	-	28,138	290,198
Repurchase agreements	-	59,700,599	172,929,059	-	232,629,658
Other receivables	461	-	-	-	461
Due from other agencies	-	-	48,085,681	-	48,085,681
Interest receivable	-	-	-	-	-
Prepaid expense	-	-	-	-	-
TOTAL ASSETS	\$ 262,521	59,700,599	221,014,740	28,138	281,005,998
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 86,416	-	42,519	-	128,935
Due to Severance Tax Permanent Fund	-	-	30,119,536	-	30,119,536
Due to other agencies	-	-	-	-	-
Due to State General Fund	39,698	-	-	28,138	67,836
Deferred Revenue	-	-	-	-	-
Accrued payroll	121,011	-	-	-	121,011
Accrued payroll taxes	27,944	-	-	-	27,944
TOTAL LIABILITIES	275,069	-	30,162,055	28,138	30,465,262
FUND BALANCES:					
Reserved for:					
Debt service	-	58,170,491	190,852,685	-	249,023,176
Arbitrage	-	1,530,108	-	-	1,530,108
Unreserved, reported in general fund	(12,548)	-	-	-	(12,548)
Unreserved, reported in:					
Gaming Suspense Fund	-	-	-	-	-
TOTAL FUND BALANCES	(12,548)	59,700,599	190,852,685	-	250,540,736
TOTAL LIABILITIES AND FUND BALANCES	\$ 262,521	59,700,599	221,014,740	28,138	281,005,998

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Reconciliation of the Balance Sheet to the
Statement of Net Assets - Governmental Funds

YEAR ENDED JUNE 30, 2009

Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 250,540,736
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	151,677
Some liabilities (compensated absences) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.	<u>(143,682)</u>
Net assets of governmental activities (Statement of Net Assets)	\$ <u>250,548,731</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

YEAR ENDED JUNE 30, 2009

	Major Funds				Total Governmental Funds
	General Fund	General Obligation Bond Fund	Severance Tax Bond Fund	Gaming Suspense Fund	
REVENUES:					
Federal funds	\$ 3,083	-	-	-	3,083
Other income	-	-	-	-	-
Interest income - debt service	-	7,780,075	43,026,413	-	50,806,488
Interest income - arbitrage	-	-	-	-	-
TOTAL REVENUES	3,083	7,780,075	43,026,413	-	50,809,571
EXPENDITURES:					
Current:					
Personnel services and employee benefits	3,241,236	-	-	-	3,241,236
Operating costs:					
Contractual services	245,850	-	-	-	245,850
Other administrative expenditures	910,236	-	-	-	910,236
Debt service:					
Principal and interest on long-term debt	-	67,401,652	111,823,430	-	179,225,082
Principal and interest on short-term debt	-	-	429,524,717	-	429,524,717
Arbitrage	-	-	-	-	-
Other charges	-	1,112,863	961,463	-	2,074,326
Capital outlay	44,211	-	-	-	44,211
TOTAL EXPENDITURES	4,441,533	68,514,515	542,309,610	-	615,265,658
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,438,450)	(60,734,440)	(499,283,197)	-	(564,456,087)
OTHER FINANCING SOURCES (USES):					
State general fund appropriations	4,396,900	-	-	-	4,396,900
Special appropriation	68,700	-	-	-	68,700
Reversions to State General Fund FY09	(39,698)	-	-	-	(39,698)
Severance taxes	-	-	438,295,970	-	438,295,970
State property tax levy	-	65,075,456	-	-	65,075,456
Bond proceeds	-	-	-	-	-
Other proceeds	-	-	-	-	-
Bond premiums (discounts)	-	-	-	-	-
Other	-	-	-	-	-
Capital projects, reversions in	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Miscellaneous other sources	-	-	-	-	-
Severance tax permanent fund, reversions out	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
Transfer to (from) other state agency	-	1,595,084	(27,887,022)	-	(26,291,938)
TOTAL OTHER FINANCING SOURCES (USES)	4,425,902	66,670,540	410,408,948	-	481,505,390
NET CHANGE IN FUND BALANCES	(12,548)	5,936,100	(88,874,249)	-	(82,950,697)
FUND BALANCES, June 30, 2008	-	53,764,499	317,695,866	-	371,460,365
RESTATEMENT	-	-	(37,968,932)	-	(37,968,932)
FUND BALANCES, JUNE 30, 2008, restated	-	53,764,499	279,726,934	-	333,491,433
FUND BALANCES, June 30, 2009	\$ (12,548)	59,700,599	190,852,685	-	250,540,736

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (GAAP Basis)

YEAR ENDED JUNE 30, 2009

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
State General Fund appropriation	\$ 4,511,400	4,396,900	4,396,900	-
Special appropriation	68,700	68,700	68,700	-
Supplemental appropriation	-	-	-	-
Federal grants	20,000	20,000	3,083	(16,917)
Other	-	-	-	-
TOTAL REVENUES	\$ 4,600,100	4,485,600	4,468,683	(16,917)
EXPENDITURES:				
Current:				
Personnel services and benefits	\$ 3,240,400	3,255,400	3,241,236	14,164
Contractual services	421,000	254,000	245,850	8,150
Operating costs	938,700	976,200	954,447	21,753
TOTAL EXPENDITURES	4,600,100	4,485,600	4,441,533	44,067
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)	\$ -	-	27,150	27,150
RECONCILIATION TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE:				
UNBUDGETED REVERSIONS TO STATE GENERAL FUND			(39,698)	
NET CHANGE IN FUND BALANCES			\$ (12,548)	

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Statement of Fiduciary Net Assets

AS OF JUNE 30, 2009

	<u>Investment Trust Fund</u>
ASSETS:	
Cash and investments:	
Cash	\$ 151,589,655
Certificates of Deposit	204,100,000
Institutional Money Market	97,811,466
Commercial Paper	199,970,351
Asset Backed Securities	386,093,368
U.S. Government Securities	1,327,708,790
Corporate Bonds	812,234,557
Municipal Bonds	178,063,867
Repurchase agreements	<u>616,370,342</u>
Total cash and investments	3,973,942,396
Other assets	<u>16,826,437</u>
TOTAL ASSETS	\$ <u>3,990,768,833</u>
NET ASSETS HELD IN TRUST	\$ <u>3,990,768,833</u>
TOTAL LIABILITIES AND NET ASSETS HELD IN TRUST	\$ <u>3,990,768,833</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Statement of Changes in Fiduciary Net Assets

YEAR ENDED JUNE 30, 2009

	<u>Investment Trust Fund</u>
INVESTMENT INCOME	\$ 96,539,470
EXPENSES:	
Management fees	<u>(384,000)</u>
NET INVESTMENT INCOME	96,155,470
NET PROCEEDS OF DEPOSITS (WITHDRAWALS)	(1,666,311,916)
NET ASSETS, HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2008	<u>5,560,925,279</u>
NET ASSETS, HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2009	\$ <u>3,990,768,833</u>

NATURE OF ORGANIZATION

The Office of the State Treasurer (State Treasurer) has existed continuously since 1851 (Laws 1851-1852). The Legislative Assembly of the Territory of New Mexico passed an act to establish and regulate the Treasury Department of the Territory of New Mexico. This act established the office of territorial Treasurer and designed the duties of Treasurer. The Office of the State Treasurer is established by the New Mexico Constitution, Article V, Section 1, which provides in part:

“The executive department shall consist of a governor, lieutenant governor, secretary of state, State auditor, State treasurer, attorney general, and commissioner of public lands, who shall, unless otherwise provided in the constitution of New Mexico, be elected for terms of four years beginning on the first day of January next after their election. The governor and lieutenant governor shall be elected jointly by the casting by each voter of a single vote applicable to both offices.”

Statutory powers and duties of the State Treasurer are contained in numerous articles of the New Mexico Statutes Annotated. Principal statutory provisions related to the New Mexico State Treasurer's Investment Fund are listed below:

- (1) Sections 8-6-1 through 8-6-7 NMSA 1978 (1983 Repl.), as amended. Section 8-6-3 NMSA 1978 (1983 Repl.) provides that the State Treasurer shall receive and keep all monies of the State, except when otherwise provided, shall disburse the public money upon lawful warrants and shall keep a just, true and comprehensive account of all monies received and disbursed.
- (2) Section 6-1-13 NMSA 1978 (1978 Repl.) provides that the State Treasurer shall authorize all State agency deposit accounts and shall establish conditions and reports appropriate to the accounts.
- (3) Section 6-8-2 NMSA 1978 (1988 Repl.) provides that the State Treasurer shall be a member of the State Investment Council. Section 6-8-6 NMSA 1978 (1988 Repl.) states that the State Treasurer shall maintain custody of the State permanent fund.
- (4) Sections 6-10-10 (G), (H), and (I) NMSA 1978 (1988 Supp.) empower the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in demand deposits and not immediately needed for the operation of State government in certain specified securities or investments.
- (5) Section 6-12A-2 NMSA 1978 is to ensure an orderly and uninterrupted flow of money to the general fund by anticipating the receipt of taxes and other State revenue.
- (6) Section 6-10-10.1 NMSA 1978. Short-term investment fund created; distribution of earnings; report of investment.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

NATURE OF ORGANIZATION – continued

- a. There is created in the State treasury the "short-term investment fund." The fund shall consist of all deposits from governmental entities and Indian tribes or pueblos that are placed in the custody of the State Treasurer for short-term investment purposes pursuant to this section. The State Treasurer shall maintain a separate account for each governmental entity and Indian tribe or pueblo having deposits in the fund.
- b. If any local public body is unable to receive payment on public money at the rate of interest as set forth in Section 6-10-36 NMSA 1978 from financial institutions within the geographic boundaries of the governmental unit, then a local public finance official having money of that local public body in his custody required for expenditure within thirty days or less may, with the consent of the appropriate local board of finance, if any, remit some or all of such money to the State Treasurer, bank, savings and loan association or credit union for deposit for the purpose of short-term investment as allowed by this section.
- c. Before any local funds are invested or reinvested for the purpose of short-term investment pursuant to this section, the local public body finance official shall notify and make sure funds are made available to banks, savings and loan associations and credit unions located within the geographical boundaries of their respective governmental unit, subject to the limitation on credit union accounts. To be eligible for such funds, the financial institution shall pay to the local public body the rate established by the State Treasurer pursuant to a policy adopted by the State Board of Finance for such short-term investments.
- d. The local public body finance official shall specify the length of time each deposit shall be in the short-term investment fund, but in any event the deposit shall not be made for more than thirty days. The State Treasurer, through the use of the State fiscal agent, shall separately track each such deposit and shall make such information available to the public upon written request.
- e. The State Treasurer shall invest the fund as provided for State funds under Section 6-10-10 NMSA 1978 and may elect to have the short-term investment fund consolidated for investment purposes with the State funds under the control of the State Treasurer, provided that accurate and detailed accounting records are maintained for the account of each participating entity and Indian tribe or pueblo and that a proportionate amount of interest earned is credited to each of the separate government accounts. The fund shall be invested to achieve its objective, which is to realize the maximum return consistent with *safe and prudent management*.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

NATURE OF ORGANIZATION – continued

- f. At the end of each month, all interest earned from investment of the short-term investment fund shall be distributed by the State Treasurer to the contributing entities and Indian tribes or pueblos in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts in the fund were invested. No fees or transfer expenses shall be charged to the participating entities and Indian tribes or pueblos for investment in the short-term investment fund.

The State Treasurer is responsible for making the State of New Mexico's debt service and interest payments on general obligation and severance tax bonds and maintaining the related accounting records. The proceeds from the issuance of these general obligation and severance tax bonds and the related debt are maintained in agency funds at the New Mexico Department of Finance and Administration (DFA) and are not part of this audit. Those funds are included in the DFA's financial statements. The debt service activity, including the ending balances for the general obligation and severance tax bonds and the amortization of bond premiums, discounts and issuance costs, are included in the Supplementary Information section of this report and the statewide Comprehensive Annual Financial Report (CAFR).

Certain investments owned and administered by the Department of Transportation are purchased through the State Treasurer's Office. The fair value and other gratuitous information related to these investments are not included in the financial statements of the Investment Trust Fund.

The State Treasurer's Office operates several investment pools which collectively represent the cash and investments held at the State Treasurer's Office. These pools represent amounts being held and invested for State agencies and for local governments. They have been identified as: 1) State funds investment pool, 2) short-term investment pool, 3) consolidated investment pool and 4) The Reserve Contingency Fund.

• **Oversight by the State Board of Finance**

The State Board of Finance (Board) by statute is comprised of the State of New Mexico governor, lieutenant governor, State treasurer and four members from the general public, and each is a voting member of the Board.

The Board has the responsibility for the issuance of the general obligation and severance tax bonds and for the investment and distribution of the proceeds from such bonds. In that regard, the Board approves the issuance of all such bonds, and provides information for bond prospectuses in order to ensure compliance with financial disclosure requirements and to present information concerning bond issues in a meaningful and informative format. Debt Service Funds are maintained by the State Treasurer for Bonds issued by the Board. The State Treasurer does not report the corresponding debt. The debt is reported on the statement of the Board. The details of the debt are reported in the supplementary and additional information sections in this report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

• **Financial Reporting Entity**

The financial statements for the State Treasurer have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

In June 1999, the GASB unanimously approved GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This statement provides for the most significant change in financial reporting in over 20 years and is scheduled for a phased implementation based on size of government. The State Treasurer has implemented the provisions of GASB No. 34. As a part of this statement, there is a reporting requirement regarding the State Treasurer's infrastructure (road, bridges, etc.) The State Treasurer does not own any infrastructure assets and, therefore, is unaffected by this requirement.

The State Treasurer is an office of the State of New Mexico. The financial statements and notes to the financial statements include all funds for which the State Treasurer is responsible. These financial statements only present activity related to the State Treasurer's Office. The State Treasurer receives funding from State and federal sources and must comply with the requirements of these funding source entities. However, the State Treasurer is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the State Treasurer is elected by the public and has decision making authority, the power to designate management, and the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement 14 (amended by GASB 39) which are included in the State Treasurer's reporting entity.

• **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Government-wide and Fund Financial Statements - continued**

specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

• **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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. Property taxes are recognized as revenues in the year for which they are billed.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are 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.

Federal grant revenue associated with the current fiscal period is all considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received by the government.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is funded through the 2008 General Appropriation Act (Laws of 2008, Chapter 3, Section F) and is subject to reversion.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued**

The government reports the following **Debt Service Funds**:

The General Obligation Bond Fund accounts for payment of principal and interest on general obligation bonds. Financing sources are provided through the collection of property tax levies by other State agencies. The fund does not receive State General Fund appropriations that are subject to reversion.

The Severance Tax Bond Fund accounts for tax receipts levied by other State agencies upon natural resource products, severed and saved from the lands of the State of New Mexico, and to account for payment of principal and interest on severance tax bonds. The fund does not receive State General Fund appropriations that are subject to reversion.

The Gaming Suspense Fund (SHARE Fund 02000) was established to collect monies owed to the State from gaming establishments. The fund does not receive State General Fund appropriations that are subject to reversion.

Additionally, the government reports the following **Fiduciary Funds**:

The Short-Term Investment Pool (SHARE Fund 68599) accounts for cash, securities and other investments identified and held in custody only for the Local Government Investment Pool (LGIP).

The Consolidated Investment Pool (SHARE Fund 10199) accounts for cash and short-term securities, such as overnight repurchase contracts, held in custody for State agencies.

The State Funds Investment Pool (SHARE Fund 10099) accounts for securities and other investments identified and held in custody only for State agencies.

The Reserve Contingency Fund (SHARE Fund 68510) accounts for securities and other investments held in custody for local governments.

Amounts reported as **Program Revenues** include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as **General Revenues** rather than as program revenues. Likewise, general revenues include all taxes.

The effect of interfund activity has been eliminated from the government-wide financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Deposits and Investments**

The State Treasurer's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the State Treasurer to invest in, subject to various restrictions, U.S. government obligations, commercial paper, corporate bonds, asset backed obligations, repurchase agreements, certificates of deposit, securities lending transactions, variable rate notes, tax-exempt securities and money market mutual funds.

• **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are not recorded as revenue until received.

• **Capital Assets**

Capital assets, which include equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5) and *AICPA Statement of Position 98-1*.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Capital Assets - continued**

Equipment of the State Treasurer is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office equipment	5
Computer equipment	5

• **Compensated Absences**

Employees are entitled to accumulate annual leave at the rate based on appointment date and length of continuous service. A maximum of 240 hours of such accumulated annual leave may be carried forward after the pay period beginning in December and ending in January. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of 240 hours.

Employees are entitled to accumulate sick leave at the rate of 3.69 hours per pay period. There is no limit to the amount of sick leave which an employee may accumulate. State agencies are allowed to pay fifty percent (50%) of each employee's hourly rate for accumulated sick leave over 600 hours up to 120 hours. Payment may be made only once per fiscal year at an employee-specified pay period in either January or July.

• **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are not reported as liabilities in the applicable governmental activities. The State Treasurer is not the issuer of the debt, nor is it ultimately responsible for the debt. The details of the long-term debt are reported in the Supplementary Information section of the financial statements as Schedule 6. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method, and are reported as Supplementary Information in Schedule 6 of the financial statements. Bonds payable are reported net of the applicable bond premium or discount in Schedule 6.

The State Treasurer reports the debt service activity of the State of New Mexico in its fund financial statements. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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.

Since the State Treasurer reports the debt service activity in its fund financial statements, but does not report the related liabilities in the governmental activities, the State Treasurer reports the debt service

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Long-term Obligations - continued**

activity of the State Board of Finance issued debt in its government-wide financial statements under general revenues and program expenses as follows:

Bond Proceeds. To report the proceeds received from bonds issued by the State Board of Finance.

Bond Premiums. To report premiums on bonds issued by the State Board of Finance.

Bond Principal Payments. To report principal payments on long-term debt made by the State Treasurer on debt issued by the State Board of Finance.

Bond Appropriations Expense. To report bond proceeds transferred to the DFA State Board of Finance for the agencies to draw down as needed.

Debt Issuance Costs. Debt issuance costs are reported as other charges and included in program expenses.

• **Fiduciary Net Assets**

The combining statement of changes in fiduciary net assets reports the deposits and withdrawals made by the participants in the Investment Trust Funds. These amounts are reported as net, rather than gross, due to the volume of transactions completed during a fiscal period.

• **Fund Balance**

In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

• **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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

• **Net Assets**

The government-wide financial statements utilize a net asset presentation. Net assets are categorized as investments in capital assets (net of related debt), restricted and unrestricted.

Investments in capital assets is intended to reflect the portion of net assets which is associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is debt less the outstanding liquid assets and any associated unamortized cost.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

• Net Assets - continued

Restricted assets are liquid assets (generated from revenues and not bond proceeds) which have third-party (statutory or granting agency) limitation that is legally enforceable on their use. When there is an option, the State Treasurer spends restricted resources first. Net assets are restricted by the bond indenture for debt service. Restricted net assets total \$249,877,585.

Unrestricted assets are all other assets that do not meet the definition of “restricted assets” or “investments in capital assets”.

• Budgets and Budgetary Accounting

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, “For the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration.” The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year’s budget. Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the appropriation unit level.

The debt service funds of the State Treasurer are not budgeted.

The State Treasurer follows these procedures in establishing the budgetary data reflected in the financial statements:

1. By September 1, the State Treasurer prepares a budget appropriation request by category to be presented to the next legislature.
2. The appropriation request is submitted to the DFA's Budget Division and to the Legislative Finance Committee (LFC).
3. The DFA makes recommendations and adjustments to the appropriation request which become the Governor's proposal to the Legislature.
4. LFC holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the Legislature.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued**

• **Budgets and Budgetary Accounting – continued**

5. Both the DFA's and LFC's recommended appropriation proposals are presented to the Legislature for approval of the final budget plan.
6. Budgetary control is exercised at the category level of the State Treasurer as a whole and changes are approved by the DFA.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund only. The debt service funds (General Obligation Bond Funds and Severance Tax Bonding Funds) are non-budgeted funds.
8. The General Appropriations Act of 2004 established the modified accrual basis of accounting as the budgetary basis of accounting for the State of New Mexico beginning July 1, 2004. Accordingly, future budgets will be prepared using the modified accrual basis of accounting.
9. The State Treasurer's budget for the fiscal year ending June 30, 2009, was amended in a legally permissible manner by reallocating line item category totals as the need arose during the fiscal year. Individual amendments were not material in relation to the original budget.

3. **DEPOSITS AND INVESTMENTS**

• **Fiscal Agent Bank**

The State Board of Finance and Bank of America in Albuquerque (Bank) entered into an agreement whereby the Bank would provide banking services as Fiscal Agent for the State of New Mexico through April 3, 2008, with the option to renew for two additional years at the option of the State Board of Finance, not to extend beyond April 12, 2010.

• **Custody Bank**

The State Board of Finance and Northern Trust entered into an agreement whereby Northern Trust would provide banking services as Custody Bank for the State of New Mexico through January 31, 2010, with the option to renew for two additional years at the option of the State Board of Finance.

• **Investment Trust Fund**

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.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Investment Trust Fund – 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 State Treasurer has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments*. This statement requires certain investments as defined in GASB Statement No. 31 to be valued at fair value. Fair value is based on quoted market prices as of the valuation date. The change in fair value is recognized as a component of investment income in the current year.

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.

The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. 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 fifty percent (50%) to one hundred two percent (102%) of the par value of the investment dependent upon the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50 percent (50%) of the average investment balance.

At June 30, 2009, collateral pledged to public money deposits was as follows:

	<u>Fiscal Agent Account</u>	<u>Certificates of Deposit</u>
Cash in bank (bank balance)	\$ 143,229,755	204,100,000
Less FDIC insurance coverage	<u>143,229,755</u>	<u>3,022,505</u>
Total unsecured public funds	\$ <u> -</u>	<u>201,077,495</u>
Collateral requirement (50% of uninsured public funds)	\$ -	142,663,850
Collateral pledged:		
US Government securities	64,733,800	100,338,114
Surety Bond	<u> -</u>	<u>63,000,000</u>
(Over) under collateralized See Schedule 10 for reconciliation.	\$ <u>(64,733,800)</u>	<u>(20,674,264)</u>

3. DEPOSITS AND INVESTMENTS - continued

• **Investment Trust Fund – continued**

As part of the Temporary Liquidity Guarantee Program, the FDIC instituted the "Transaction Account Guarantee Program," which, if a bank chooses to participate, insures all transaction deposit accounts paying no more than 0.50% interest. Bank of America, where the State Treasurer has its fiscal agent account, was participating in the program on June 30, 2009 and elected to have that account covered under the program. As a result, the entire fiscal agent account balance was covered by FDIC insurance at June 30, 2009.

• **Brokered Transactions**

The State Treasurer initiated electronic purchase trades with the following brokers during the year ended June 30, 2009:

Broker Name	Number of Transactions
Merrill Lynch	7
CS First Boston	5
Citigroup	18
First Tennessee	44
Morgan Stanley	62
Bank of America	49
Goldman Sachs	26
JP Morgan Chase	13
Cantor Fitzgerald	42
Barclays	20
Bear Stearns	9
UBS	1
Greenwich Capital	8
BB&T Capital	2
Morgan Keegan	1
Williams Financial	5
Piper Jaffrey	18
BNP Paribas	25
Stiffel Nicolaus	9
Jeffries	16
MFR	1
HSBC	30
RBS	6
Compass Bank	3
Union Banc	3
Vining	1
Deutsche	20

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS – continued

• **Investment Balances**

The fair value of investments administered by the State Treasurer at June 30, 2009 follows:

	Amortized Cost	Carrying Amount Fair Value
Cash in Banks	\$ 151,879,853	151,879,853
Certificates of Deposit	204,100,000	204,100,000
Institutional Money Market	114,690,897	97,811,466
Commercial Paper	200,122,000	199,970,351
Asset Backed Securities	386,977,167	386,093,368
U.S. Government Securities	1,307,798,000	1,327,708,790
Corporate Bonds	798,997,000	812,234,557
Municipal Bonds	177,998,000	178,063,867
Overnight Repurchase Agreements	849,000,000	849,000,000
	\$ 4,191,562,917	4,206,862,252

The fair value includes repurchase agreements of \$232,629,658 of debt service funds reported in the Statement of Net Assets – Governmental Activities and Governmental Funds Activity for general obligation funds and severance tax bond funds. The remaining \$616,370,342 of repurchase agreements represents the investment portion of the investment trust fund reported in the Statement of Fiduciary Net Assets. In addition, it includes \$290,198 of cash in the governmental activities.

• **Local Government Investment Pool**

Cities, counties, and other non-state agencies invest monies in the State Treasurer external investment pool (Local Government Investment Pool). The investments are recorded at fair value based on quoted market prices as of the valuation date in the financial statements; however, the individual participant balances remain at their carrying cost. At June 30, 2009, the Local Government Investment Pool carrying cost approximated the fair value.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 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 Local Government Investment Pool investments are monitored by the same investment committee and 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

3. **DEPOSITS AND INVESTMENTS – continued**

• **Local Government Investment Pool - continued**

amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the Local Government Investment Pool is voluntary.

• **Reserve Contingency Fund**

The Reserve Contingency Fund was created to hold what was formerly a Local Government Investment Pool (LGIP) investment in the Primary Fund, a money market mutual fund established and managed by The Reserve Fund. On September 16, 2008, the Primary Fund wrote down the value of its debt securities issued by Lehman Brothers Holdings, Inc., to zero, driving the net asset value of the fund below \$1.00 to \$0.97. At that date, the LGIP had \$381.7 million invested in the Primary Fund, roughly 23% of the LGIP's total assets. On September 29, 2008, the Primary Fund announced that it intended to liquidate its assets and distribute the proceeds on a pro rata basis to investors. As of June 30, 2009, slightly less than 90% of the Primary Fund's balances have been returned to investors, including the LGIP.

In order to preserve the "AAAm" rating assigned by Standard & Poor's to the LGIP, the State Treasurer's Office effected an agreement on behalf of the LGIP and the state's General Fund CORE portfolio on September 22, 2008. The Agreement provided for the General Fund to purchase all \$381.7 million shares of the Primary Fund held by the LGIP at the par value of \$1.00 per share. The LGIP granted the General Fund a "put" option for those shares at par, plus interest at a stated rate.

On February 27, 2009, the State Treasurer's Office informed LGIP participants that it intended to segregate each participant's remaining balance attributable to LGIP holdings in the Primary Fund into a separate fund created by the State Treasurer's Office, the Reserve Contingency Fund. Balances transferred to the Reserve Contingency Fund would be based on each participant's share of the LGIP as of September 15, 2008. Any future distributions from the Primary Fund would flow into the Reserve Contingency Fund and be distributed to LGIP participants on a pro rata basis.

Based on analysis of The Reserve Primary Fund's schedule of investments as of June 30, 2009, it was determined that approximately 14.72% of the remaining value of the Primary Fund's component securities would expire worthless. This portion was entirely related to those debt securities held within the Primary Fund that were issued by Lehman Brothers Holdings, Inc. Since the investment in The Reserve Primary Fund was being carried at 100% of face value (\$1.00 per share), the fair market value has been adjusted downward by approximately 14.72% as reflected on Schedule 7 of the Supplementary Information section of this report.

At June 30, 2009, investments in The Reserve Primary Fund were also held in the General Fund Investment Pool and in both the Taxable and Tax-Exempt Bond Proceeds Investment Pools. Those investments' fair market values were also marked down by approximately 14.72% as reflected on Schedule 7 of the Supplementary Information section of this report.

3. **DEPOSITS AND INVESTMENTS – continued**

• **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 his authority and for which the State Treasurer acts as the investing authority. These assets include, as examples only, the State General Fund, the Local Government Investment Pool, 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:

1. 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;
2. Maintenance of Liquidity – the second level of priority must be accorded to maintaining sufficient liquidity to satisfy the reasonably anticipated, continuing operational requirements of State Government; and
3. 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.

The standard of prudence to be applied in the investment of State assets shall be the “Prudent Person” rule that specifies that: “Investments shall be made with the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The State Treasurer or his designees, acting in accordance with this policy and any other written procedures pertaining to the investment of public money and exercising due diligence, shall be relieved of personal responsibility, if any, for credit risk or market price changes of a particular security, provided that deviations from expectations are timely noted and appropriate action is taken to control and prevent further adverse developments.

3. **DEPOSITS AND INVESTMENTS – continued**

• **Investments Permitted by Policy**

The scope of investment authority of the State Treasurer is defined by the applicable investment statutes and constitutional provisions, principally Sections 6-10-10, 6-10-25, 6-10-26, 6-10-37, 6-10-44 and 6-14-10.1, NMSA 1978, as well as Article VIII, Section 4 of the New Mexico Constitution, specifying particular types of investments that may be made by the State Treasurer, which establish certain prerequisites, limitations and other requirements relating to those investments. Moreover, the State Treasurer, in his discretion, may further limit or restrict those investments.

The State Treasurer and the State Board of Finance have determined that only the following statutorily authorized investments may be made, and these investments shall be subject to further limitations or restrictions as follows:

1. U.S. Government Obligations – Securities, including discount notes, that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies sponsored by the United States government. Investments shall be limited to a maximum maturity of five (5) years at time of purchase, except securities for any advance refunding escrow which may be invested in securities with a maturity of more than five (5) years.
2. Commercial Paper – Unsecured obligations with a maturity up to 270 days at time of purchase issued by corporations organized and operating within the United States. The commercial paper shall have investment grade ratings and shall not be split-rated. If the rating declines below investment grade, the State Treasurer’s Investment Committee (STIC) will meet to evaluate a course of action.
3. Corporate Bonds – Debt instruments issued by a corporation organized and operating in the United States with a maturity not exceeding five (5) years at time of purchase. Corporate bonds with maturities up to three (3) years shall be rated A1 or better at the time of purchase. Corporate bonds with maturities between three (3) and five (5) years shall be rated AA or better. If the rating declines below investment grade, then the STIC will meet to evaluate a course of action.
4. Asset-Backed Obligations – Debt instruments which are backed by defined cash flows or receivables with a final maturity not exceeding five (5) years at time of purchase and rated AAA, or its equivalent, by all national rating agencies that rate the security. If the rating declines below AAA, or its equivalent, then the STIC will meet to evaluate a course of action.

3. DEPOSITS AND INVESTMENTS – continued

• **Investments Permitted by Policy – continued**

5. Repurchase Agreements – Contracts for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the State. No contract shall be invested in unless the contract is fully secured by obligations of the United States, or its agencies or instrumentalities, or other securities backed by the United States having a market value of at least one hundred two percent (102%) of the amount of the contract. Repurchase agreements and flexible repurchase agreements shall be limited to a maximum maturity of one (1) year, but flexible repurchase agreements, in which bond proceeds are invested, may have a maximum maturity of three (3) years. Repurchase agreements for the Local Government Investment Pool shall be limited to a maximum maturity of thirty (30) days, although any underlying U.S. government obligations pledged as collateral may have maturities extending beyond the term of such repurchase agreements. Subject to these conditions and the prior approval of the State Board of Finance with respect to the custodial undertaking agreement, tri-party repurchase agreements are proper investments under this policy.
6. Bank, Savings and Loan Association or Credit Union Deposits – Deposits are allowed in certified and designated New Mexico financial institutions whose deposits are insured by an agency of the United States. All deposits will comply with state statute and State Board of Finance policies related to interest rate and collateral requirements. CD deposits shall not be made with custodial banks. Deposits shall be limited to a maximum maturity of three (3) years. A deposit in any credit union shall be limited to the amount insured by an agency of the United States.
7. Variable Rate Notes – Variable rate notes (VRN) may be United States government obligations, commercial paper or repurchase agreements. The use of VRNs is considered to be prudent in the management of the portfolio within certain maturity, indexing and concentration restrictions.
8. Tax Exempt Securities – Pursuant to 6-14-10.1, the State Treasurer or designee may also invest in tax exempt securities that at time of purchase are investment grade and have a final maturity of up to three (3) years. If the rating declines below investment grade, then the STIC will meet to evaluate a course of action.
9. Securities Issued by the State or a Political Subdivision of the State, or any Agency, Institution or Instrumentality of the State or a Political Subdivision – These include, but are not limited to, the New Mexico Mortgage Finance Authority, the New Mexico Finance Authority and the New Mexico Educational Assistance Foundation, if the statute authorizing the issuance of such securities expressly authorizes the State or the State Treasurer to purchase such security.

3. DEPOSITS AND INVESTMENTS – continued

• Investments Permitted by Policy – continued

10. Money Market Mutual Funds – Shares of an open-ended diversified investment company that:
(i) is registered with the United States Securities and Exchange Commission; (ii) complies with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States Securities and Exchange Commission applicable to money market mutual funds; (iii) assesses no fees pursuant to Rule 12b-1, or any successor rule, of the United States Securities and Exchange Commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated, provided that the State shall not, at any time, own more than five percent (5%) of a money market mutual fund's assets; and (iv) is rated AAA or equivalent by a nationally recognized rating agency. In addition, the State Treasurer may act as the investing authority for those agencies which have independent statutory authority to invest. The State Treasurer shall act in a manner consistent with each agency's guidelines and directives.

• Unauthorized Investments/Investment Actions

The State Treasurer will not borrow funds for the sole purpose of investing those funds at a higher yield. The State Treasurer is not authorized by law to invest or as a matter of policy has determined not to invest in securities, assets, investment agreements or instruments except as specifically permitted in this Investment Policy. Accordingly, as examples only, the following securities, assets, investment agreements or instruments are presently impermissible:

1. Common or preferred stock
2. Exchange traded future contracts
3. Inverse floaters
4. Whole-loan mortgage obligations
5. Interest only and principal strips only as they relate to asset-backed obligations
6. Currency swaps
7. Range notes and index amortizing notes
8. Reverse repurchase agreements
9. Short sales

• Custodial Credit Risk

Custodial credit risk is the risk that the State Treasurer will not be able to recover the value of its deposits, 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 State Treasurer and are held by either the counterparty of the counterparty's trust department of agent but not in State Treasurer's name.

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS – continued

• **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 Section 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. As of June 30, 2009, \$52,649,923 of the State Treasurer’s bank balances of \$538,489,099 was exposed to custodial credit risk as uninsured and uncollateralized.

• **Credit Risk**

The State Treasurer’s fixed income portfolio investment policy sets credit quality rating guidelines and benchmark indices for each of its sub-asset classes and/or as outlined in each portfolio manager contract.

The quality rating of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor’s) at June 30, 2009, for the general fund investment pool are as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA:		
U.S. Treasuries	\$ 149,726,750	8.97%
U.S. Government Agency	145,793,504	8.73%
Corporate Bonds	132,610,850	7.94%
AA:		
Corporate Bonds	23,405,212	1.40%
AA-:		
Corporate Bonds	9,931,100	0.59%
A+:		
Corporate Bonds	15,289,940	0.92%

STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS – continued

• Credit Risk - continued

Quality Rating	Fair Value	Percentage of Portfolio
A:		
Municipal Bonds	\$ 7,925,867	0.47%
Corporate Bonds	49,624,424	2.97%
BBB+:		
Corporate Bonds	4,466,250	0.27%
BB+:		
Corporate Bonds	3,784,650	0.23%
Not rated and other:		
Overnight Repurchase Pool	497,978,754	29.82%
Institutional Money Markets	38,427,419	2.30%
Asset-Backed Securities	136,951,492	8.20%
Certificates of Deposit	164,100,000	9.83%
Cash in Bank	3,837,225	0.23%
Municipal Bonds	170,138,000	10.19%
Corporate Bonds	75,767,250	4.54%
Commercial Paper	40,086,724	2.40%
Grand Total	\$ 1,669,845,411	100.00%

The quality rating of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2009, for the local government investment pool are as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA:		
U.S. Treasury Notes	\$ 618,582,852	67.11%
AA1:		
Corporate Bonds	15,216,750	1.65%

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS – continued

• **Credit Risk - continued**

Quality Rating	Fair Value	Percentage of Portfolio
Not rated and other:		
Certificates of Deposit	\$ 40,000,000	4.34%
Cash in Bank	148,042,628	16.06%
Commercial Paper	99,943,111	10.84%
Grand Total	\$ 921,785,341	100.00%

The quality rating of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2009, for the bond proceeds investment pools are as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA:		
U.S. Treasuries	\$ 99,789,000	6.31%
U.S. Government Agency	313,816,684	19.83%
Corporate Bonds	330,087,600	20.86%
Asset-backed Securities	10,100,000	0.64%
AA+:		
Corporate Bonds	10,293,600	0.65%
AA:		
Corporate Bonds	20,434,800	1.29%
A:		
Corporate Bonds	44,603,881	2.81%
Not rated and other:		
Overnight Repurchase Pool	351,021,246	22.18%
Institutional Money Markets	26,689,161	1.69%
Asset-Backed Securities	239,041,876	15.10%
Commercial Paper	59,940,516	3.79%
Corporate Bonds	76,718,250	4.85%
Grand Total	\$ 1,582,536,614	100.00%

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Credit Risk - continued**

The quality rating of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2009, for the Reserve Contingency Fund are as follows:

Quality Rating	Fair Value	Percentage of Portfolio
Not rated and other:		
Institutional Money Markets	\$ 32,694,886	100.00%
Grand Total	\$ 32,694,886	100.00%

• **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 investment 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. The following diversification limitations shall be imposed on the portfolio:

1. Investment maturities will be staggered to avoid undue concentration of assets in a specific maturity sector and to reflect cash flow requirements.
2. Investment in callable instruments is permitted for the State General Fund, but the amount invested in callable instruments should not exceed twenty-five percent (25%) of the total amount invested from the State General Fund. Investment in callable investments may be allowed in the local government investment pool, bond proceeds, bond debt service funds and such pension and permanent fund monies for which the State Treasurer is the investing authority. Investment in callable investments is prohibited for tax and revenue anticipation note proceeds (and any other liquidity vehicle).
3. The maximum level of CD deposits for the entire portfolio shall be \$350 million with not more than \$30 million in any single financial institution. The State Board of Finance urges banks to loan this money out in their respective local communities to spur economic development.
4. Investments in commercial paper, corporate bonds and asset-backed obligations shall not exceed forty percent (40%) of assets of each portfolio. Commercial paper and corporate bonds shall be limited, per issuer, to five percent (5%) of each portfolio.
5. Investments in United States agency securities issued by any single agency shall be limited to thirty-five percent (35%) of the combined portfolios.

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

- **Concentration of Credit Risk – continued**

6. Investment in repurchase agreements from any single provider shall be limited to twenty-five percent (25%) of the combined portfolios.
7. Investment in commercial paper and corporate bonds guaranteed by the full faith and credit of the United States government, with a final maturity not to exceed the expiration date of any such guarantee, shall not exceed forty percent (40%) of the assets of each portfolio. Commercial paper and corporate bonds guaranteed by the full faith and credit of the United States government shall be limited, per issuer, to twenty percent (20%) of each portfolio.

The following lists investments held in the general fund investment pool with a single issuer as a percentage of total:

Issuer	Fair Value	Percentage of Portfolio
US Government Agency Obligations:		
US Treasuries	\$ 149,726,750	8.96%
FFCB	25,167,500	1.51%
FHLB	82,840,394	4.96%
FAMC	26,189,000	1.58%
FHLMC	10,506,300	0.63%
FNMA	1,090,310	0.07%
Municipal Bonds:		
City of Albuquerque	32,928,867	1.97%
New Mexico Educational Assistance Foundation	145,135,000	8.68%
Corporate Bonds:		
Abbott Laboratories	10,804,800	0.65%
AIG	3,784,650	0.23%
Banc One Corp	7,510,225	0.45%
Credit Suisse	10,509,541	0.63%
First Mass	4,780,399	0.29%
Genworth Global	9,507,400	0.57%
Goldman Sachs	86,339,350	5.17%
HSBC	37,327,849	2.24%
International Lease Finance	4,466,250	0.27%

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Concentration of Credit Risk – continued**

Issuer	Fair Value	Percentage of Portfolio
Corporate Bonds - continued:		
JP Morgan Chase	\$ 15,028,050	0.90%
Morgan Stanley	102,289,650	6.13%
Northern Illinois Gas	7,411,412	0.44%
Wal Mart	5,189,000	0.31%
Wells Fargo	9,931,100	0.59%
Asset-Backed Securities		
FNMA	37,126,179	2.22%
FHLMC	99,825,313	5.97%
Commercial Paper:		
Straight A Funding	40,086,724	2.40%
Overnight Repurchase Pool	497,978,754	29.82%
Certificates of Deposit	164,100,000	9.83%
Cash in Bank	3,837,225	0.23%
Institutional Money Markets:		
The Reserve – Primary Fund	38,427,419	2.30%
Grand Total	\$ 1,669,845,411	100.00%

The following lists investments held in the local government investment pool with a single issuer as a percentage of total:

Issuer	Fair Value	Percentage of Portfolio
US Government Agency Obligations:		
US Treasuries	\$ 618,582,852	67.11%
Corporate Bonds:		
General Reinsurance Corp	15,216,750	1.65%

STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• Concentration of Credit Risk – continued

Issuer	Fair Value	Percentage of Portfolio
Commercial Paper:		
US Bancorp	\$ 49,940,000	5.42%
Straight A Funding	50,003,111	5.42%
Cash in Bank		
	148,042,628	16.06%
Certificates of Deposit		
	40,000,000	4.34%
Grand Total		
	\$ 921,785,341	100.00%

The following lists investments held in the bond proceeds fund investment pools with a single issuer as a percentage of total:

Issuer	Fair Value	Percentage of Portfolio
US Government Agency Obligations:		
US Treasuries	\$ 99,789,000	6.31%
FFCB	24,932,132	1.58%
FHLB	194,323,116	12.27%
FAMC	20,612,600	1.30%
FHLMC	30,317,524	1.92%
FNMA	43,631,312	2.76%
Corporate Bonds:		
Bank of America	76,110,750	4.81%
General Electric	10,293,600	0.65%
Goldman Sachs	70,994,950	4.49%
HSBC	87,697,450	5.54%
JP Morgan Chase	45,898,650	2.90%
Morgan Stanley	135,722,481	8.58%
Merrill Lynch	9,912,200	0.63%
Wal-Mart	10,319,600	0.65%
Wells Fargo	35,188,450	2.22%
Commercial Paper:		
Straight A Funding	59,940,516	3.79%

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Concentration of Credit Risk – continued**

Issuer	Fair Value	Percentage of Portfolio
Asset-backed Securities:		
FHLMC	\$ 239,041,876	15.10%
Honda Auto Receivables Owners Trust	10,100,000	0.64%
Overnight Repurchase Pool	351,021,246	22.17%
Institutional Money Markets:		
The Reserve – Primary Fund	26,689,161	1.69%
Grand Total	\$ 1,582,536,614	100.00%

The following lists investments held in the Reserve Contingency Fund investment pools with a single issuer as a percentage of total:

Issuer	Fair Value	Percentage of Portfolio
Institutional Money Markets:		
The Reserve – Primary Fund	\$ 32,694,886	100.00%
Grand Total	\$ 32,694,886	100.00%

• **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The State Treasurer recognizes that any portfolio of marketable investment securities is subject to interest rate risk. The State Treasurer, in an attempt to limit the possibility of loss due to interest rate fluctuations, will attempt to match investments with anticipated cash requirements. The State Treasurer or designee shall give particular emphasis to the following factors when selecting a specific security for inclusion in the portfolio:

1. Relative Yield to Maturity: Comparison of return available from alternative investments for comparable maturity dates.
2. Marketability: Analysis of relative marketability of alternate investments in case of forced sale or possibility of future trades.

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Interest Rate Risk – continued**

3. Intermarket Yield Analysis: Analysis of the spread relationship between sectors of the market (e.g., Treasury Bonds or Bills versus Agency Bonds or Discount Notes), to take advantage of aberrations in yield differentials.
4. Yield Curve Analysis: Analysis of the slope of the yield curve to determine the most attractive maturities for earning maximum return with minimal risk.
5. General Economic and Interest Rate Outlook: Review and analysis of current literature on interest rate projections to assist in timing transactions and selecting appropriate maturities.

Maturities on investments in the general fund investment pool are as follows:

Quality Rating	Fair Value	Maturities	
		Less Than 1 Year	1 – 5 Years
AAA:			
U.S. Treasuries	\$ 146,726,750	74,912,000	74,814,750
U.S. Government Agency	148,793,504	-	145,793,504
Corporate Bonds	132,610,850	-	132,610,850
AA:			
Corporate Bonds	23,405,212	-	23,405,212
AA-:			
Corporate Bonds	9,931,100	9,931,100	-
A+:			
Corporate Bonds	15,289,940	-	15,289,940
A:			
Municipal Bonds	7,925,867	7,925,867	-
Corporate Bonds	49,624,424	-	49,624,424
BBB+:			
Corporate Bonds	4,466,250	-	4,466,250

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Interest Rate Risk - continued**

Quality Rating	Fair Value	Maturities	
		Less Than 1 Year	1 – 5 Years
BB+:			
Corporate Bonds	\$ 3,784,650	-	3,784,650
Not rated and other:			
Overnight Repurchase Pool	497,978,754	497,978,754	-
Institutional Money Markets	38,427,419	38,427,419	-
Asset-Backed Securities	136,951,492	136,951,492	-
Certificates of Deposit	164,100,000	164,100,000	-
Cash in Bank	3,837,225	3,837,225	-
Municipal Bonds	170,138,000	170,138,000	-
Corporate Bonds	75,767,250	-	75,767,250
Commercial Paper	40,086,724	40,086,724	-
Grand Total	\$ 1,669,845,411	1,144,288,581	525,556,830

Maturities on investments in the local government investment pool are as follows:

Quality Rating	Fair Value	Maturities	
		Less Than 1 Year	1 – 5 Years
AAA:			
U.S. Treasury Notes	\$ 618,582,852	618,582,852	-
AA1:			
Corporate Bonds	15,216,750	15,216,750	-
Not rated and other:			
Certificates of Deposit	40,000,000	40,000,000	-
Commercial Paper	99,943,111	99,943,111	-
Cash in Bank	148,042,628	148,042,628	-
Grand Total	\$ 921,785,341	921,785,341	-

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Interest Rate Risk - continued**

Maturities on investments in the bond proceeds investment pools are as follows:

Quality Rating	Fair Value	Maturities	
		Less Than 1 Year	1 – 5 Years
AAA:			
U.S. Treasuries	\$ 99,789,000	49,968,500	49,820,500
U.S. Government Agency	313,816,684	124,533,155	189,283,529
Corporate Bonds	330,087,600	-	330,087,600
Asset-backed Securities	10,100,000	-	10,100,000
AA+:			
Corporate Bonds	10,293,600	-	10,293,600
AA:			
Corporate Bonds	20,434,800	10,115,200	10,319,600
A:			
Corporate Bonds	44,603,881	28,969,781	15,634,100
Not rated and other:			
Overnight Repurchase Pool	351,021,246	351,021,246	-
Institutional Money Markets	26,689,161	26,689,161	-
Asset-Backed Securities	239,041,876	-	239,041,876
Commercial Paper	59,940,516	59,940,516	-
Corporate Bonds	76,718,250	-	76,718,250
Grand Total	\$ 1,582,536,614	651,237,559	931,299,055

The Reserve Contingency Fund's investment in The Reserve Primary Fund has been frozen for redemptions. Currently, as the underlying holdings of The Reserve Primary Fund are maturing, they are refunding investors' money.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's investment policy does not have a specific policy on foreign currency risk. However, the listing of permissible investments includes descriptions on the limitations related to each investment type.

All holdings at June 30, 2009 were denominated in United States Dollars.

• **Securities Collateralizing Repurchase Agreements**

The State's Investment Policy states that no repurchase agreements shall be entered into unless the contract is fully secured by deliverable obligations of the United States or other securities backed by the United States having a market value of at least one hundred two percent (102%) of the amount of the contract. The State's collateral requirements follow:

1. The market value of the collateral including accrued interest must be equal to one hundred two percent (102%) of the amount of cash transferred by the State Treasurer to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the market value of securities held as collateral slips below one hundred two percent (102%) of the value of the cash transferred plus accrued interest, then additional cash and/or acceptable securities must be delivered to the third party custodian sufficient to cure any deficiency; and
2. For repurchase agreements with terms to maturity of greater than one (1) day, the State will value the collateral securities continuously and require that, if additional collateral is required, then that collateral must be delivered within one business day. If a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated; and
3. The collateral on all repurchase agreements will have a maturity date that exceeds the term of the repurchase agreement. If the duration of the collateral is longer than ten (10) years than the term of the repurchase agreement, then the collateral margin must be 103% to compensate for market risk.

Credit ratings and concentration of risk on collateral securities are as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA:		
US Government Agency Obligations	\$ 849,000,000	100.00%
US Treasury Notes	-	-
Grand Total	\$ 849,000,000	100.00%

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

3. DEPOSITS AND INVESTMENTS - continued

• **Securities Collateralizing Repurchase Agreements - continued**

Maturities on collateral are as follows:

Quality Rating	Fair Value	Maturities				Over 20 Years
		Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years	
AAA:						
US Government Mortgage Backed Securities	\$ 873,777,989	101,946,525	13,576,405	25,109,398	141,267,818	591,877,843
US Treasury Notes	-	-	-	-	-	-
Grand Total	\$ 873,777,989	101,946,525	13,576,405	25,109,398	141,267,818	591,877,843

Schedule 10 discloses collateral pledged for repurchase agreements.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance June 30, 2008	Additions	Reclassifications	Adjustments/ Deletions	Balance June 30, 2009
Governmental activities:					
Non-depreciable assets:					
Construction in Progress (CIP)	\$ 112,490	-	(112,490)	-	-
Depreciable assets:					
Equipment	<u>258,291</u>	<u>44,211</u>	<u>112,490</u>	<u>17,316</u>	<u>397,676</u>
Total capital assets:	370,781	44,211	-	17,316	397,676
Less accumulated depreciation:					
Equipment	\$ <u>222,575</u>	<u>40,399</u>	<u>-</u>	<u>16,975</u>	<u>245,999</u>
Total	\$ <u>148,206</u>	<u>3,812</u>	<u>-</u>	<u>(341)</u>	<u>151,677</u>

Depreciation expense was charged to functions/programs of the State Treasurer's Office as follows:

Governmental activities:

 General government \$ 40,399

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

4. CAPITAL ASSETS - continued

Construction in progress consisted of Information Technology Equipment put in service during fiscal year 2009; therefore, costs of \$112,490 were reclassified into depreciable equipment. Current year capital asset additions totaled \$44,211.

5. LONG-TERM OBLIGATIONS

- **Compensated Absences**

As in prior years, the general fund is used to liquidate compensated absences. Following are the changes in compensated absences for the year ended June 30, 2009:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated absences: \$	<u>144,638</u>	<u>146,597</u>	<u>147,553</u>	<u>143,682</u>	<u>143,682</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

6. CONDENSED FINANCIAL STATEMENTS

Condensed financial statements of the Investment Trust Fund, inclusive of external and internal participants for the fiscal year ended June 30, 2009, are as follows:

ASSETS:

Investments	\$ 3,973,942,396
Interest receivable	<u>16,826,437</u>

TOTAL ASSETS **\$ 3,990,768,833**

LIABILITY:

Other liabilities	\$ -
-------------------	------

NET ASSETS:

External Participant account balances	960,780,619
Other Internal Participant account balances:	
Primary government	<u>3,029,988,214</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 3,990,768,833**

INVESTMENT INCOME

At June 30, 2009, the State Treasurer's investment income earnings were as follows:

Local Governmental Investment Pool	\$ 18,778,320
Consolidated Investment Pool	36,777,147
State Funds Investment Pool	40,984,003
Reserve Contingency Fund	<u>-</u>
	\$ <u>96,539,470</u>

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

7. APPROPRIATIONS

The State Treasurer received the following appropriations for the year ended June 30, 2009:

<u>General Fund</u>	
General appropriation, (General Appropriation Act)	\$ 4,396,900
Special appropriation (Compensation Package)	<u>68,700</u>
 Total appropriations	 \$ <u>4,465,600</u>

8. COLLATERAL IN TRUST

The State Treasurer holds a variety of different types of collateral, government guaranteed loans and mortgages, certificates of deposit, surety bonds, etc., for certain State agencies, which are not included in the financial statements.

9. DUE TO SEVERANCE TAX PERMANENT FUND AND REVERSIONS

The State Treasurer is required by statute (Section 7-27-8 NMSA 1978, 1986 Repl.) to transfer to the Severance Tax Permanent Fund, all monies in the Severance Tax Bonding Fund, except the amount necessary to meet principal and interest payments on bonds payable of the next two ensuing semi-annual payment dates. The Severance Tax Bonding Fund that was due and payable to the Severance Tax Permanent Fund for the fiscal year ended June 30, 2009 was \$30,119,536.

10. ARBITRAGE ON TAX EXEMPT BONDS

Prior to the Tax Reform Act (TRA) of 1986, State and local governments had up to three years to use the proceeds from tax exempt bonds issued by them before arbitrage on such proceeds had to be paid to the Treasury Department. Arbitrage, as defined, is the excess interest earned by a State or local government on proceeds from the sale of its bonds over interest paid to bond holders.

TRA 1986 required rebate of such arbitrage to the 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.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

10. ARBITRAGE ON TAX EXEMPT BONDS - continued

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: 1) 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 2) the rebate requirement is satisfied for the reserve fund after the six month period. The term gross proceeds for purposes of the rule include both the sale proceeds received from the bond purchase 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 following is a schedule of bond issues, along with the bond year ends and arbitrage rebate due dates. The State Treasurer's Office has had the first arbitrage computation for the bonds, completed as indicated:

	First Computation Date	First Payment Due to IRS	First Computation of Arbitrage Completed
General Obligation Capital Projects Bonds Series 1999	9/1/2004	10/1/2004	X
General Obligation Bonds Series 2001	3/21/2006	5/20/2006	X
General Obligation Bonds Refunding Series 2001A	9/1/2004	10/31/2004	X
General Obligation Bonds Refunding Series 2001B	9/1/2006	10/31/2006	X
General Obligation Bonds Series 2003	3/18/2008	5/17/2008	X
General Obligation Bonds Refunding Series 2003B	4/16/2008	6/15/2008	X
General Obligation Bonds Series 2005	3/1/2010	4/30/2010	X
Severance Tax Bonds Series 1993B	7/1/1998	8/31/1998	X
Severance Tax Bonds Series 1994B	7/1/1999	8/31/1999	X
Severance Tax Bonds Series 1995A	7/1/2000	8/31/2000	X
Severance Tax Bonds Series 1995B	7/1/2000	8/31/2000	X
Severance Tax Bonds Series 1996A	12/20/2001	2/20/2002	X
Severance Tax Refunding Bonds Series 1997A	7/1/2001	8/31/2002	X
Severance Tax Refunding Bonds Series 1998A	7/1/2003	8/31/2003	X
Severance Tax Bonds Series 1999B	7/1/2004	8/31/2004	X
Severance Tax Bonds Series 1999A Supplemental	11/17/2004	1/17/2005	X
Severance Tax Bonds Series 2000	7/1/2005	8/31/2005	X
Severance Tax Bonds 2000C Supplemental	11/16/2005	1/16/2006	X

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

10. ARBITRAGE ON TAX EXEMPT BONDS - continued

	Bond Year-End of First Rebate Computation	First Arbitrage Rebate Due Date	First Computation of Arbitrage Completed
Severance Tax Bonds Refunding Series 2001A	12/20/2006	2/20/2007	X
Severance Tax Bonds Series 2002A Supplemental	1/16/2007	3/16/2007	X
Severance Tax Bonds Series 2002A	6/19/2007	8/18/2007	X
Severance Tax Bonds Series 2002B Supplemental	11/14/2007	1/13/2008	X
Severance Tax Bonds Series 2003A	6/27/2008	8/26/2008	X
Severance Tax Bonds Series 2003B Supplemental	10/14/2008	12/13/2008	X
Severance Tax Bonds Series 2004A	6/15/2009	8/14/2009	X
Severance Tax Bonds Series 2004B Supplemental	11/17/2009	1/16/2010	X
Severance Tax Bonds Series 2005A	6/15/2010	8/14/2010	X
Severance Tax Bonds Series 2005B-1 Refunding	6/15/2010	8/14/2010	
Severance Tax Bonds Series 2005B-2 Supplemental	6/15/2010	8/14/2010	
Severance Tax Bonds Series 2006A	6/20/2011	8/16/2011	
Severance Tax Bonds Series 2007A	6/28/2012	8/27/2012	
Severance Tax Bonds Series 2008A-1 Supplemental	7/1/2012	8/30/2012	
Severance Tax Bonds Series 2009A	7/30/2014	9/28/14	
Enhanced 911 Revenue Bonds Series 2000	9/12/2005	11/11/2005	X

Interest earnings on invested bond proceeds through June 30, 2009 did not exceed the interest costs of the bonds. Such amounts would have been included as a reservation of fund balance in the accompanying financial statements. Amounts due the Internal Revenue Service which are known and measurable are recorded as a liability - accrued arbitrage interest payable in the accompanying financial statements.

11. TRANSFERS

Interfund Transfers

Interfund transfers are completed to move revenue from Fund 41000, Severance Tax Bonding Fund, to the specific Debt Service funds per bond resolutions.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

11. TRANSFERS - continued

Debt Service:
Severance Tax Bonds:

SHARE Fund	Transfer From	Amount	SHARE Fund	Transfer To	Amount
41000	Severance Tax Bonding Fund	\$ <u>100,151,000</u>	96300	STB – 2006A Debt Service	\$ 15,400,000
			57100	STB – 2005B2 Debt Service	7,794,000
			49200	STB – 2004A Debt Service	8,370,000
			18300	STB – 2004B Debt Service	1,235,000
			38800	STB – 2005B1 Debt Service	9,900,000
			41200	STB – 2005A Debt Service	9,335,000
			72010	STB – 2008A1 Debt Service	15,725,000
			72070	SSTB Ref – 2008A2 Debt Service	5,460,000
			88400	STB – 2003A Debt Service	8,760,000
			48400	STB – 2003B Debt Service	1,203,000
			53700	STB – 2007A Debt Service	<u>16,969,000</u>
	Total	\$ <u>100,151,000</u>	Total		\$ <u>100,151,000</u>

General Obligation Bonds:

SHARE Fund	Transfer From	Amount	SHARE Fund	Transfer To	Amount
41800	GO 2003B Refunding	\$ 13,557,000	03100	GO 2003 Debt Service	\$ 7,546,000
03100	GO 2003 Debt Service	979,349	03200	GO 2005 Debt Service	2,348,000
41400	GO 2001 Debt Service	263,306	41400	GO 2001 Debt Service	3,663,000
28900	2007 Series - Cost of Issuance	<u>13,338</u>	28800	GO 2007 Debt Service	13,338
			73030	2008A Series-Redemption	<u>1,242,655</u>
	Total	\$ <u>14,812,993</u>	Total		\$ <u>14,812,993</u>

**STATE OF NEW MEXICO
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Notes to Financial Statements - continued

11. TRANSFERS - continued

Interagency Transfers

Debt Service:
Severance Tax Bonds:

Transfers In From Other State Agencies

<u>Transfers from (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Transfers to (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>
Board of Finance	34101	\$ <u>2,313,683</u>	Severance Tax Bonding Fund	41000	\$ <u>2,313,683</u>
Total – Severance Tax Bond Funds		\$ <u>2,313,683</u>			\$ <u>2,313,683</u>

Transfers Out To Other State Agencies

<u>Transfers from (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Transfers to (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>
Severance Tax Bonding Fund	41000	\$ <u>30,200,705</u>	Board of Finance	34100	\$ <u>30,200,705</u>
Total – Severance Tax Bond Funds		\$ <u>30,200,705</u>			\$ <u>30,200,705</u>

General Obligation Bonds:

Transfers In From Other State Agencies

<u>Transfers from (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Transfers to (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>
Board of Finance	34101	\$ <u>1,638,418</u>	General Obligation 2003 Debt Service	03100	\$ 465,508
			General Obligation 2005 Debt Service	03200	175,561
			General Obligation 2007 Debt Service	28800	321,649
			General Obligation 2008A Debt Service	73010	12,908
			General Obligation 2008A Cost of Issuance	73000	197,094
			General Obligation 2009 Cost of Issuance	10650	<u>465,698</u>
Total – General Obligation Bond Funds		\$ <u>1,638,418</u>			\$ <u>1,638,418</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

11. TRANSFERS - continued

Interagency Transfers - continued

General Obligation Bonds - continued:

Transfers Out To Other State Agencies

<u>Transfers from (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Transfers to (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>
General Obligation 2003 Debt Service	03100	\$ 37,134	Board of Finance	34100	\$ <u>43,334</u>
General Obligation 2005 Debt Service	03200	<u>6,200</u>			
Total – General Obligation Funds		\$ <u>43,334</u>			\$ <u>43,334</u>

12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

• **Plan Description**

Substantially all of the State Treasurer’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA’s website at www.pera.state.nm.us.

• **Funding Policy**

Plan members are required to contribute 7.42% of their gross salary. The State Treasurer’s Office is required to contribute 16.59% of the gross covered salary. From the 2009 legislative session House Bill 854 temporarily shifts the burden of 1.5% of employer PERA contributions to state employees whose annual salaries exceed \$20,000. For the two-year period from July 1, 2009 to June 30, 2011, the employer contribution rates will be reduced by 1.5% and the employee contribution rates will be increased by 1.5%. After this temporary shift the burden will return to the employer. The contribution requirements of plan members and the State Treasurer’s Office are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The State Treasurer’s contributions to PERA for the fiscal years ending June 30, 2009, 2008 and 2007 were \$376,046, \$370,067 and \$324,931, respectively, which equal the amount of the required contributions for each fiscal year.

13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

• **Plan Description**

The State Treasurer's Office contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care 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 RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the 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.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

• **Funding Policy**

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars 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 the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN - continued

• **Funding Policy - continued**

after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The State Treasurer's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$29,467, \$29,002 and \$24,981, respectively, which equal the required contributions for each year.

14. RISK MANAGEMENT

The State Treasurer is exposed to various risks of loss for which the State Treasurer carries insurance (auto; employee fidelity bond; general liability; civil rights and foreign jurisdiction; money and securities; property; and workers' compensation) with the State of New Mexico Risk Management Division. Public employee fidelity bonding coverage is self-insured by the State of New Mexico. The current policy year is July 1, 2008 to June 30, 2009. The limit of coverage is \$5,000,000, with \$1,000 deductible per occurrence. All State Treasurer employees are covered by this bond.

15. REVERSION TO THE STATE GENERAL FUND

Under State Statute 6-5-10 NMSA, 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30 shall revert by September 30 to the general fund. The division may adjust the reversion within forty-five days of release of the audit report for that fiscal year.

The amount expected to revert to the State General Fund as of June 30, 2009, is \$67,836.

Amounts reverted to the State General Fund during 2009 were as follows:

		<u>Appropriation</u>	<u>Reversion</u>
Reversion to State General Fund fiscal year 2009	\$	4,396,900	39,698
Subtotal - Reversion to State General Fund	\$	4,396,900	39,698
Gaming Suspense Fund			28,138
Total due to State General Fund			\$ 67,836

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Notes to Financial Statements - continued

16. SHORT-TERM DEBT

- **Taxation and Revenue Anticipation Notes**

The State Board of Finance issues six month, fixed-rate tax and revenue anticipation notes to provide short-term cash to carry on the State of New Mexico operations until tax revenues are received in June. Repayment of the notes comes from tax payments received in the year.

Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Issued	Redeemed	Issuance Cost	Balance June 30, 2009
Tax and Revenue Anticipation Notes	\$ <u>775,187,500</u>	<u>-----</u> -	<u>775,187,500</u>	<u>-----</u> -	<u>-----</u> -

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

16. SHORT-TERM DEBT - continued

• **Sponge Bonds**

The State Board of Finance issues one to three day sponge bonds. Sponge bonds were purchased on the dates specified below. Bond proceeds are recorded by the State Board of Finance. Principal and interest payments were made from the Severance Tax Bonding Fund (SHARE Fund 41000) are as follows:

	<u>Purchased</u>	<u>Matured</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
Sponge Bond - Senior Note	12/30/08	12/31/08	\$ 169,376,000	8,281	169,384,281
Sponge Bond - Supplemental Note	12/30/08	12/31/08	105,497,400	5,158	105,502,558
Sponge Bond - Senior Note	06/29/09	06/30/09	19,299,184	211	19,299,395
Sponge Bond - Supplemental Note	06/29/09	06/30/09	<u>135,337,000</u>	<u>1,483</u>	<u>135,338,483</u>
Total			\$ <u>429,509,584</u>	<u>15,133</u>	<u>429,524,717</u>

Short-term debt activity for the year ended June 30, 2009 was as follows:

	<u>Balance July 1, 2008</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Issuance Costs</u>	<u>Balance June 30, 2009</u>
Sponge Bonds	\$ <u>-</u>	<u>429,524,717</u>	<u>429,524,717</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Notes to Financial Statements - continued

17. RESTATEMENTS

The following prior period adjustments were recorded as of June 30, 2009:

SHARE Fund	Amount	Purpose
41000	Beginning Fund Balance, 6/30/08	\$ 214,422,548
	Severance Tax Bonding Fund	214,596
	Severance Tax Bonding Fund	(41,127,605)
	Severance Tax Bonding Fund	<u>1,344,153</u>
	Beginning Fund Balance, restated, 6/30/08	\$ <u>174,853,692</u>
48400	Beginning Fund Balance, 6/30/08	\$ 8,851
	Severance Tax Bond Debt Service - 2003 B	<u>1,079,486</u>
	Beginning Fund Balance, restated, 6/30/08	\$ <u>1,088,337</u>
57100	Beginning Fund Balance	\$ 6,795
	Severance Tax Bond Debt Service - 2005 B2	<u>520,438</u>
	Total	\$ <u>527,233</u>

18. BOND ISSUANCE ACTIVITY

During fiscal year 2009, there was one new bond issue as noted below;

- \$ 196,330,000 Capital Projects General Obligation Bonds Series 2009

Total activity related to the bonds were approximately as follows; costs \$975,810, premiums \$28,082,010, and total transfers to other State agencies of \$347,065,000.

19. FUND BALANCE DEFICIT

The General Fund of the State Treasurer has a deficit fund balance of \$12,548 due to prior years' accounts payable amounts paid out of subsequent years' budgets.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Capital Assets Used in the Operation of Governmental Funds -
Schedule of Changes by Asset Class and Source

Schedule 1

YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Actual</u> <u>Amounts</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:				
Equipment, furniture and fixtures	\$ 370,781	44,211	(17,316)	397,676
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 370,781	44,211	(17,316)	397,676
INVESTMENTS IN GOVERNMENTAL FUNDS				
CAPITAL ASSETS BY SOURCE:				
General Fund revenues	\$ 370,781	44,211	(17,316)	397,676
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 370,781	44,211	(17,316)	397,676

Schedule 2

YEAR ENDED JUNE 30, 2009

	SHARE Fund	Assets			Total Assets
		Repurchase Agreements	Due From Other Agencies	Accrued Interest Receivable	
2003 Series-Debt Service	03100	\$ 809,795	-	-	809,795
2005 Series Debt Service	03200	7,947,010	-	-	7,947,010
2007 Series-Debt Service	28800	14,751,610	-	-	14,751,610
2001 Series-Debt Service	41400	442,120	-	-	442,120
2003B Series - Refunding	41800	23,611,926	-	-	23,611,926
2001-B Series-Refunding	48200	-	-	-	-
1999 Series-Debt Service	64000	-	-	-	-
2009 Series-Debt Service	10630	5,520,575	-	-	5,520,575
2008A Series-Redemption	73030	220,698	-	-	220,698
2008A Series-Debt Service	73010	<u>4,787,039</u>	-	-	<u>4,787,039</u>
Total Debt Service		58,090,773	-	-	58,090,773
2003 Series - Rebate	41300	117,481	-	-	117,481
2001 Series - Rebate	41500	783,539	-	-	783,539
2003 Refunding Series - Rebate	41900	145,390	-	-	145,390
2005 Series - Rebate	42600	142,975	-	-	142,975
2001B Series - Rebate	46300	-	-	-	-
911 - Rebate	48800	106,365	-	-	106,365
2001A Series - Rebate	71200	<u>234,358</u>	-	-	<u>234,358</u>
Total Rebate Accounts		1,530,108	-	-	1,530,108
2007 Series - Cost of Issuance	28900	-	-	-	-
2008A Series - Cost of Issuance	73000	-	-	-	-
2009 Series - Cost of Issuance	10650	79,718	-	-	79,718
2003 Series - Cost of Issuance	41600	-	-	-	-
Total cost of issuance		<u>79,718</u>	-	-	<u>79,718</u>
Combined total		\$ <u>59,700,599</u>	-	-	<u>59,700,599</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Combining Balance Sheet - General Obligation Bonds -
General Obligation Bond Debt Service Funds

<u>Liabilities</u>	<u>Fund Equity</u>			
<u>Due to Other State Agencies</u>	<u>Unreserved- Designated for Debt Service</u>	<u>Unreserved- Designated for Arbitrage</u>	<u>Total Fund Equity</u>	<u>Total Liabilities & Fund Equity</u>
-	809,795	-	809,795	809,795
-	7,947,010	-	7,947,010	7,947,010
-	14,751,610	-	14,751,610	14,751,610
-	442,120	-	442,120	442,120
-	23,611,926	-	23,611,926	23,611,926
-	-	-	-	-
-	-	-	-	-
-	5,520,575	-	5,520,575	5,520,575
-	220,698	-	220,698	220,698
-	<u>4,787,039</u>	-	<u>4,787,039</u>	<u>4,787,039</u>
-	58,090,773	-	58,090,773	58,090,773
-	-	117,481	117,481	117,481
-	-	783,539	783,539	783,539
-	-	145,390	145,390	145,390
-	-	142,975	142,975	142,975
-	-	-	-	-
-	-	106,365	106,365	106,365
-	-	<u>234,358</u>	<u>234,358</u>	<u>234,358</u>
-	-	1,530,108	1,530,108	1,530,108
-	-	-	-	-
-	-	-	-	-
-	79,718	-	79,718	79,718
-	-	-	-	-
-	<u>79,718</u>	-	<u>79,718</u>	<u>79,718</u>
-	<u>58,170,491</u>	<u>1,530,108</u>	<u>59,700,599</u>	<u>59,700,599</u>

Schedule 3

AS OF JUNE 30, 2009

	SHARE Fund	Revenues		Expenditures	
		Interest Income	Principal and Interest on Long-Term Debt	Other Charges	Total Expenditures
2003 Series-Debt Service	03100	\$ 221,467	13,811,200	1,751	13,812,951
2005 Series Debt Service	03200	1,020,616	14,588,000	-	14,588,000
2007 Series Debt Service	28800	4,884,096	17,467,250	-	17,467,250
2001 Series-Debt Service	41400	133,602	7,299,162	-	7,299,162
2003-B Series - Refunding	41800	779,555	10,250,000	528,038	10,778,038
2001-B Series-Refunding	48200	-	-	-	-
1999 Series-Debt Service	64000	-	-	-	-
2009 Series-Debt Service	10630	259,491	-	-	-
2008A Series-Redemption	73030	336,878	1,358,835	-	1,358,835
2008A Series-Debt Service	73010	<u>87,058</u>	<u>2,627,205</u>	<u>-</u>	<u>2,627,205</u>
Total debt service		7,722,763	67,401,652	529,789	67,931,441
2003 Series-Rebate	41300	4,400	-	-	-
2001 Series-Rebate	41500	29,348	-	-	-
2003 Series-Refunding	41900	5,446	-	-	-
2005 Rebate	42600	5,356	-	-	-
2001-B Series-Rebate	46300	-	-	-	-
911-Rebate	48800	3,984	-	-	-
2001-A Series-Rebate	71200	<u>8,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Rebate Accounts		57,312	-	-	-
2007 Series - Cost of Issuance	28900	-	-	-	-
2008A Series - Cost of Issuance	73000	-	-	197,094	197,094
2009 Series - Cost of Issuance	10650	-	-	385,980	385,980
2003 Series - Cost of Issuance	41600	-	-	-	-
Total cost of issuance		-	-	<u>583,074</u>	<u>583,074</u>
Combined total	\$	<u>7,780,075</u>	<u>67,401,652</u>	<u>1,112,863</u>	<u>68,514,515</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
General Obligation Bond Debt Service Funds

Excess (Deficiency) of Revenues over Expenditures	Other Financing Sources (Uses)				
	State Property Tax Levy	Transfers (to) from Other State Agencies	Bond Proceeds	Capital Projects Reversions	Interfund Transfers
(13,591,484)	1,037,446	428,374	-	-	6,566,651
(13,567,384)	9,894,203	169,361	-	-	2,348,000
(12,583,154)	14,713,445	321,649	-	-	13,338
(7,165,560)	559,734	-	-	-	3,399,694
(9,998,483)	26,295,266	-	-	-	(13,557,000)
-	-	-	-	-	-
-	-	-	-	-	-
259,491	5,261,084	-	-	-	-
(1,021,957)	-	-	-	-	1,242,655
<u>(2,540,147)</u>	<u>7,314,278</u>	<u>12,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
(60,208,678)	65,075,456	932,292	-	-	13,338
4,400	-	-	-	-	-
29,348	-	-	-	-	-
5,446	-	-	-	-	-
5,356	-	-	-	-	-
-	-	-	-	-	-
3,984	-	-	-	-	-
<u>8,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
57,312	-	-	-	-	-
-	-	-	-	-	(13,338)
(197,094)	-	197,094	-	-	-
(385,980)	-	465,698	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(583,074)</u>	<u>-</u>	<u>662,792</u>	<u>-</u>	<u>-</u>	<u>(13,338)</u>
<u>(60,734,440)</u>	<u>65,075,456</u>	<u>1,595,084</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
General Obligation Bond Debt Service Funds - continued**

Schedule 3 - continued

AS OF JUNE 30, 2009

	SHARE	Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	Beginning Fund Balance as Originally Reported	Restatement	Beginning Fund Balances as Restated	Fund Balances June 30, 2009
	Fund	Financing Uses	Reported		as Restated	June 30, 2009
2003 Series-Debt Service	03100	\$ (5,559,013)	6,368,808	-	6,368,808	809,795
2005 Series Debt Service	03200	(1,155,820)	9,102,830	-	9,102,830	7,947,010
2007 Series Debt Service	28800	2,465,278	12,286,332	-	12,286,332	14,751,610
2001 Series-Debt Service	41400	(3,206,132)	3,648,252	-	3,648,252	442,120
2003-B Series - Refunding	41800	2,739,783	20,872,143	-	20,872,143	23,611,926
2001-B Series-Refunding	48200	-	-	-	-	-
1999 Series-Debt Service	64000	-	-	-	-	-
2009 Series-Debt Service	10630	5,520,575	-	-	-	5,520,575
2008A Series-Redemption	73030	220,698	-	-	-	220,698
2008A Series-Debt Service	73010	<u>4,787,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,787,039</u>
Total debt service		5,812,408	52,278,365	-	52,278,365	58,090,773
2003 Series-Rebate	41300	4,400	113,081	-	113,081	117,481
2001 Series-Rebate	41500	29,348	754,191	-	754,191	783,539
2003 Series-Refunding	41900	5,446	139,944	-	139,944	145,390
2005 Rebate	42600	5,356	137,619	-	137,619	142,975
2001-B Series-Rebate	46300	-	-	-	-	-
911-Rebate	48800	3,984	102,381	-	102,381	106,365
2001-A Series-Rebate	71200	<u>8,778</u>	<u>225,580</u>	<u>-</u>	<u>225,580</u>	<u>234,358</u>
Total Rebate Accounts		57,312	1,472,796	-	1,472,796	1,530,108
2007 Series - Cost of Issuance	28900	(13,338)	13,338	-	13,338	-
2008A Series - Cost of Issuance	73000	-	-	-	-	-
2009 Series - Cost of Issuance	10650	79,718	-	-	-	79,718
2003 Series - Cost of Issuance	41600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cost of issuance		<u>66,380</u>	<u>13,338</u>	<u>-</u>	<u>13,338</u>	<u>79,718</u>
Combined total	\$	<u>5,936,100</u>	<u>53,764,499</u>	<u>-</u>	<u>53,764,499</u>	<u>59,700,599</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Combining Balance Sheet - Severance Tax Bonds -
Severance Tax Bond Debt Service Funds

Schedule 4

AS OF JUNE 30, 2009

	SHARE Fund	Assets				Total Assets
		Repurchase Agreements	Due From Other Agencies	Accrued Interest Receivable	Prepaid Expense	
2002-A Supp. Series - DS	09500	\$ 52,914	-	-	-	52,914
2004-B Series Debt Service	18300	1,139,306	-	-	-	1,139,306
1999-A Series-Debt Service	18400	-	-	-	-	-
2005-B1 Series Debt Service	38800	9,369,745	-	-	-	9,369,745
2000 Series-Debt Service	38900	11,708	-	-	-	11,708
2002-B Supp. Series - DS	39000	41,084	-	-	-	41,084
2000-C Series-Debt Service	40500	268,198	-	-	-	268,198
2001-A Series-Refunding	40800	631,796	-	-	-	631,796
Severance Tax Bonding	41000	65,730,448	48,085,681	-	-	113,816,129
2005-A Series Debt Service	41200	9,761,532	-	-	-	9,761,532
2003-B Series-Debt Service	48400	1,136,683	-	-	-	1,136,683
2004-A Series-Debt Service	49200	8,299,989	-	-	-	8,299,989
2007-A Debt Service	53700	20,831,676	-	-	-	20,831,676
2007-A Refunding	53800	-	-	-	-	-
2005-B2 Series Debt Service	57100	7,410,778	-	-	-	7,410,778
2002-A Series-Debt Service	69900	935	-	-	-	935
2008A-1 Series - Debt Service	72010	18,467,493	-	-	-	18,467,493
2008A-2 Series - Refunding	72050	-	-	-	-	-
2008A-2 Series - Debt Service	72070	5,235,606	-	-	-	5,235,606
2003-A Series-Debt Service	88400	8,301,685	-	-	-	8,301,685
2006-A Series Debt Service	96300	<u>15,254,086</u>	-	-	-	<u>15,254,086</u>
Total debt service		171,945,662	48,085,681	-	-	220,031,343
2006A Series-Rebate	01900	-	-	-	-	-
1999-A Series-Rebate	18500	-	-	-	-	-
2002-B Supp-Rebate	39200	73,389	-	-	-	73,389
2000-C Series-Rebate	40600	363,921	-	-	-	363,921
2004-B Series-Rebate	41100	29,871	-	-	-	29,871
2003-B Supp-Rebate	42000	12,082	-	-	-	12,082
2004-A Series-Rebate	42700	61,055	-	-	-	61,055
1999-B Series-Rebate	46100	36,301	-	-	-	36,301
2005-A Series-Rebate	48300	236,229	-	-	-	236,229
2005-B1 Series-Rebate	57000	10,575	-	-	-	10,575
2003-A Series-Rebate	87300	116,806	-	-	-	116,806
2005-B2 Series-Rebate	96000	6,206	-	-	-	6,206
2006-A Series-Rebate	96400	<u>36,962</u>	-	-	-	<u>36,962</u>
Total rebate accounts		<u>983,397</u>	-	-	-	<u>983,397</u>
Combined total	\$	<u>172,929,059</u>	<u>48,085,681</u>	-	-	<u>221,014,740</u>

Schedule 4 - continued

AS OF JUNE 30, 2009

	SHARE Fund	Liabilities			
		Due to Other Funds	Due to Other State Agencies	Accounts Payable	Deferred Revenue
2002-A Supp. Series - DS	09500	\$ -	-	-	-
2004-B Series Debt Service	18300	-	-	-	-
1999-A Series-Debt Service	18400	-	-	-	-
2005-B1 Series Debt Service	38800	-	-	-	-
2000 Series-Debt Service	38900	-	-	-	-
2002-B Supp. Series - DS	39000	-	-	-	-
2000-C Series-Debt Service	40500	-	-	-	-
2001-A Series-Refunding	40800	-	-	-	-
Severance Tax Bonding	41000	-	30,119,536	41,303	-
2005-A Series Debt Service	41200	-	-	-	-
2003-B Series-Debt Service	48400	-	-	-	-
2004-A Series-Debt Service	49200	-	-	-	-
2007-A Debt Service	53700	-	-	-	-
2007-A Refunding	53800	-	-	-	-
2005-B2 Series Debt Service	57100	-	-	-	-
2002-A Series-Debt Service	69900	-	-	-	-
2008A-1 Series - Debt Service	72010	-	-	-	-
2008A-2 Series - Refunding	72050	-	-	-	-
2008A-2 Series - Debt Service	72070	-	-	1,216	-
2003-A Series-Debt Service	88400	-	-	-	-
2006-A Series Debt Service	96300	-	-	-	-
Total debt service		-	30,119,536	42,519	-
2006A Series-Rebate	01900	-	-	-	-
1999-A Series-Rebate	18500	-	-	-	-
2002-B Supp-Rebate	39200	-	-	-	-
2000-C Series-Rebate	40600	-	-	-	-
2004-B Series-Rebate	41100	-	-	-	-
2003-B Supp-Rebate	42000	-	-	-	-
2004-A Series-Rebate	42700	-	-	-	-
1999-B Series-Rebate	46100	-	-	-	-
2005-A Series-Rebate	48300	-	-	-	-
2005-B1 Series-Rebate	57000	-	-	-	-
2003-A Series-Rebate	87300	-	-	-	-
2005-B2 Series-Rebate	96000	-	-	-	-
2006-A Series-Rebate	96400	-	-	-	-
Total rebate accounts		-	-	-	-
Combined total		\$ -	30,119,536	42,519	-

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Combining Balance Sheet - Severance Tax Bonds -
Severance Tax Bond Debt Service Funds - continued

Total Liabilities	Fund Equity		Total Fund Equity	Total Liabilities & Fund Equity
	Unreserved- Designated for Debt Service	Unreserved- Designated for Arbitrage		
-	52,914	-	52,914	52,914
-	1,139,306	-	1,139,306	1,139,306
-	-	-	-	-
-	9,369,745	-	9,369,745	9,369,745
-	11,708	-	11,708	11,708
-	41,084	-	41,084	41,084
-	268,198	-	268,198	268,198
-	631,796	-	631,796	631,796
30,160,839	83,655,290	-	83,655,290	113,816,129
-	9,761,532	-	9,761,532	9,761,532
-	1,136,683	-	1,136,683	1,136,683
-	8,299,989	-	8,299,989	8,299,989
-	20,831,676	-	20,831,676	20,831,676
-	-	-	-	-
-	7,410,778	-	7,410,778	7,410,778
-	935	-	935	935
-	18,467,493	-	18,467,493	18,467,493
-	-	-	-	-
1,216	5,234,390	-	5,234,390	5,235,606
-	8,301,685	-	8,301,685	8,301,685
-	15,254,086	-	15,254,086	15,254,086
30,162,055	189,869,288	-	189,869,288	220,031,343
-	-	-	-	-
-	-	-	-	-
-	73,389	-	73,389	73,389
-	363,921	-	363,921	363,921
-	29,871	-	29,871	29,871
-	12,082	-	12,082	12,082
-	61,055	-	61,055	61,055
-	36,301	-	36,301	36,301
-	236,229	-	236,229	236,229
-	10,575	-	10,575	10,575
-	116,806	-	116,806	116,806
-	6,206	-	6,206	6,206
-	36,962	-	36,962	36,962
-	983,397	-	983,397	983,397
30,162,055	190,852,685	-	190,852,685	221,014,740

Schedule 5

YEAR ENDED JUNE 30, 2009

	SHARE Fund	Revenues		Expenditures	
		Interest Income	Principal and Interest on Long-Term Debt	Other Charges	Total Expenditures
2002-A Supp. Series - DS	09500	\$ 5,320	6,959,750	-	6,959,750
2004-B Series Debt Service	18300	31,313	1,240,075	-	1,240,075
1999-A Series-Debt Service	18400	-	-	-	-
2005-B1 Series Debt Service	38800	165,633	7,531,088	-	7,531,088
2000 Series-Debt Service	38900	439	-	-	-
2002-B Supp. Series - DS	39000	6,876	5,069,600	-	5,069,600
2000-C Series-Debt Service	40500	28,728	-	-	-
2001-A Series-Refunding	40800	23,666	-	-	-
Severance Tax Bonding	41000	29,004,036	429,524,717	935,669	430,460,386
2005-A Series -Debt Service	41200	990,830	10,353,325	-	10,353,325
2003-B Series-Debt Service	48400	20,979	1,175,633	-	1,175,633
2004-A Series-Debt Service	49200	619,462	9,047,249	-	9,047,249
2007-A Series-Debt Service	53700	4,230,254	40,611,875	-	40,611,875
2007-A Refunding	53800	-	-	-	-
2005-B2 Series Debt Service	57100	130,420	1,040,875	-	1,040,875
2002-A Series-Debt Service	69900	35	-	-	-
2008A-1 Debt Service	72010	5,995,790	3,347,173	-	3,347,173
2008A-1 Refunding	72050	-	-	-	-
2008A-2 Debt Service	72070	92,915	318,525	-	318,525
2003-A Series-Debt Service	88400	146,993	8,557,576	-	8,557,576
2006-A Series Debt Service	96300	<u>1,497,247</u>	<u>16,570,686</u>	-	<u>16,570,686</u>
Total debt service		42,990,936	541,348,147	935,669	542,283,816
2006A Series-Rebate	01900	-	-	-	-
1999-A Series-Rebate	18500	-	-	-	-
2002-B Supp-Rebate	39200	2,749	-	-	-
2000-C Series Rebate	40600	13,632	-	-	-
2004-B Series-Rebate	41100	1,118	-	-	-
2003-B Supp-Rebate	42000	453	-	-	-
2004-A Series-Rebate	42700	2,287	-	-	-
1999-B Series-Rebate	46100	-	-	25,794	25,794
2005-A Series-Rebate	48300	8,849	-	-	-
2005-B1 Series-Rebate	57000	396	-	-	-
2003-A Series-Rebate	87300	4,375	-	-	-
2005-B2 Series-Rebate	96000	233	-	-	-
2006-A Series-Rebate	96400	<u>1,385</u>	-	-	-
Total Rebate Accounts		<u>35,477</u>	-	<u>25,794</u>	<u>25,794</u>
Combined total		\$ <u>43,026,413</u>	<u>541,348,147</u>	<u>961,463</u>	<u>542,309,610</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Severance Tax Bond Debt Service Funds

Excess (Deficiency) of Revenues Over Expenditures	Other Financing Sources (Uses)					Severance Tax Permanent Fund Reversions
	Severance Taxes	Bond Proceeds	Transfers to Other State Agencies	Interfund Transfers	Payment to Escrow Agent	
(6,954,430)	-	-	-	-	-	-
(1,208,762)	-	-	-	1,235,000	-	-
-	-	-	-	-	-	-
(7,365,455)	-	-	-	9,900,000	-	-
439	-	-	-	-	-	-
(5,062,724)	-	-	-	-	-	-
28,728	-	-	-	-	-	-
23,666	-	-	-	-	-	-
(401,456,350)	438,295,970	-	(27,887,022)	(100,151,000)	-	-
(9,362,495)	-	-	-	9,335,000	-	-
(1,154,654)	-	-	-	1,203,000	-	-
(8,427,787)	-	-	-	8,370,000	-	-
(36,381,621)	-	-	-	16,969,000	-	-
-	-	-	-	-	-	-
(910,455)	-	-	-	7,794,000	-	-
35	-	-	-	-	-	-
2,648,617	-	-	-	15,725,000	-	-
-	-	-	-	-	-	-
(225,610)	-	-	-	5,460,000	-	-
(8,410,583)	-	-	-	8,760,000	-	-
<u>(15,073,439)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,400,000</u>	<u>-</u>	<u>-</u>
(499,292,880)	438,295,970	-	(27,887,022)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,749	-	-	-	-	-	-
13,632	-	-	-	-	-	-
1,118	-	-	-	-	-	-
453	-	-	-	-	-	-
2,287	-	-	-	-	-	-
(25,794)	-	-	-	-	-	-
8,849	-	-	-	-	-	-
396	-	-	-	-	-	-
4,375	-	-	-	-	-	-
233	-	-	-	-	-	-
<u>1,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>9,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(499,283,197)</u>	<u>438,295,970</u>	<u>-</u>	<u>(27,887,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Severance Tax Bond Debt Service Funds - continued

Schedule 5 - continued

YEAR ENDED JUNE 30, 2009

	SHARE	Total Other	Excess (Deficiency)	Beginning		Beginning	Fund
	Fund	Financing	of Revenues and	Fund Balance	Restatement	Fund Balance	Balances
		Sources (Uses)	Other Financing	as Originally		as Restated	June 30, 2009
			Expenditures	Reported			
			and Other				
			Financing Uses				
2002-A Supp. Series - DS	09500	\$ -	(6,954,430)	7,007,344	-	7,007,344	52,914
2004-B Series Debt Service	18300	1,235,000	26,238	1,113,068	-	1,113,068	1,139,306
1999-A Series-Debt Service	18400	-	-	-	-	-	-
2005-B1 Series Debt Service	38800	9,900,000	2,534,545	6,835,200	-	6,835,200	9,369,745
2000 Series-Debt Service	38900	-	439	11,269	-	11,269	11,708
2002-B Supp. Series - DS	39000	-	(5,062,724)	5,103,808	-	5,103,808	41,084
2000-C Series-Debt Service	40500	-	28,728	239,470	-	239,470	268,198
2001-A Series-Refunding	40800	-	23,666	608,130	-	608,130	631,796
Severance Tax Bonding	41000	310,257,948	(91,198,402)	214,422,548	(39,568,856)	174,853,692	83,655,290
2005-A Series -Debt Service	41200	9,335,000	(27,495)	9,789,027	-	9,789,027	9,761,532
2003-B Series-Debt Service	48400	1,203,000	48,346	8,851	1,079,486	1,088,337	1,136,683
2004-A Series-Debt Service	49200	8,370,000	(57,787)	8,357,776	-	8,357,776	8,299,989
2007-A Series-Debt Service	53700	16,969,000	(19,412,621)	40,244,297	-	40,244,297	20,831,676
2007-A Refunding	53800	-	-	-	-	-	-
2005-B2 Series Debt Service	57100	7,794,000	6,883,545	6,795	520,438	527,233	7,410,778
2002-A Series-Debt Service	69900	-	35	900	-	900	935
2008A-1 Debt Service	72010	15,725,000	18,373,617	93,876	-	93,876	18,467,493
2008A-1 Refunding	72050	-	-	-	-	-	-
2008A-2 Debt Service	72070	5,460,000	5,234,390	-	-	-	5,234,390
2003-A Series-Debt Service	88400	8,760,000	349,417	7,952,268	-	7,952,268	8,301,685
2006-A Series Debt Service	96300	<u>15,400,000</u>	<u>326,561</u>	<u>14,927,525</u>	<u>-</u>	<u>14,927,525</u>	<u>15,254,086</u>
Total debt service		410,408,948	(88,883,932)	316,722,152	(37,968,932)	278,753,220	189,869,288
2006A Series-Rebate	01900	-	-	-	-	-	-
1999-A Series-Rebate	18500	-	-	-	-	-	-
2002-B Supp-Rebate	39200	-	2,749	70,640	-	70,640	73,389
2000-C Series Rebate	40600	-	13,632	350,289	-	350,289	363,921
2004-B Series-Rebate	41100	-	1,118	28,753	-	28,753	29,871
2003-B Supp-Rebate	42000	-	453	11,629	-	11,629	12,082
2004-A Series-Rebate	42700	-	2,287	58,768	-	58,768	61,055
1999-B Series-Rebate	46100	-	(25,794)	62,095	-	62,095	36,301
2005-A Series-Rebate	48300	-	8,849	227,380	-	227,380	236,229
2005-B1 Series-Rebate	57000	-	396	10,179	-	10,179	10,575
2003-A Series-Rebate	87300	-	4,375	112,431	-	112,431	116,806
2005-B2 Series-Rebate	96000	-	233	5,973	-	5,973	6,206
2006-A Series-Rebate	96400	-	<u>1,385</u>	<u>35,577</u>	<u>-</u>	<u>35,577</u>	<u>36,962</u>
Total Rebate Accounts		-	<u>9,683</u>	<u>973,714</u>	<u>-</u>	<u>973,714</u>	<u>983,397</u>
Combined total	\$	<u>410,408,948</u>	<u>(88,874,249)</u>	<u>317,695,866</u>	<u>(37,968,932)</u>	<u>279,726,934</u>	<u>190,852,685</u>

Schedule 6

YEAR ENDED JUNE 30, 2009

Issue	SHARE Fund	Date of Issue	Issue Amount	Interest Rate	Unpaid Balance June 30, 2008
General Obligation and Revenue Bonds:					
Capital Projects - Series 2001 Enhanced 911 Revenue Bonds - Series 2000	41400	03/01/01	\$ 62,550,000	4.00-5.00%	22,080,000
Capital Projects - Series 2003 Refunding Series 2003-B	48800	08/01/00	4,545,000	4.35-6.75%	-
Series 2005 Debt Service	03100	03/01/03	130,900,000	3.00-5.00%	72,835,000
Series 2007 Debt Service	41800	04/01/03	44,955,000	2.00-5.00%	10,000,000
Refunding Series 2008-A	03200	03/01/05	111,850,000	4.00-5.00%	84,160,000
Series 2009 Debt Service	28800	03/01/07	134,870,000	5.00%	124,145,000
	73010	06/25/08	71,270,000	5.00%	71,270,000
	10630	05/28/09	<u>196,330,000</u>	3.00-5.00%	<u>-</u>
Total General Obligation Bonds			757,270,000		384,490,000
Severance Tax Bonds:					
Series 2000-C Supplemental	40500	07/01/00	12,000,000	4.50-5.00%	-
Series 2001-A Refunding	40800	11/01/01	115,380,000	1.85-3.60%	-
Series 2002-A	69900	05/01/02	67,000,000	4.00-5.00%	-
Series 2002-A Supplemental	09500	12/01/01	65,000,000	4.00-5.00%	6,790,000
Series 2002-B Supplemental	39000	11/01/02	45,000,000	2.50-5.00%	25,230,000
Series 2003-A	88400	06/01/03	89,660,000	2.50-5.00%	48,580,000
Series 2003-B Supplemental	48400	11/01/03	10,000,000	2.00-3.70%	6,620,000
Series 2004-A	49200	06/15/04	76,430,000	5.00%	52,050,000
Series 2004-B Supplemental	18300	11/17/04	10,000,000	2.00-5.00%	7,310,000
Series 2005-A	41200	06/15/05	97,000,000	4.00-5.50%	71,955,000
Series 2005B-1 Refunding	38800	06/28/05	37,040,000	3.00-5.00%	37,040,000
Series 2005B-2 Supplemental	57100	06/28/05	21,095,000	3.25-5.00%	21,095,000
Series 2006-A	96300	06/20/06	135,000,000	4.00-5.00%	124,335,000
Series 2007-A	53700	06/28/07	162,840,000	4.00-5.00%	162,840,000
Series 2008A-1	72010	06/25/08	149,000,000	4.00-5.00%	149,000,000
Series 2008A-2 Refunding	72050	06/25/08	<u>20,550,000</u>	3.00%	<u>20,550,000</u>
Total Severance Tax Bonds			<u>1,112,995,000</u>		<u>733,395,000</u>
Total General Long-Term Debt			\$ <u>1,870,265,000</u>		<u>1,117,885,000</u>
Current year bond premiums:			<u>Premium/Discount</u>		
GOB, Series 2009			\$ 28,082,010		
Total current year bond premiums			\$ <u>28,082,010</u>		

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Summary of Long-term Debt Obligations -
Long-term Debt Rollforward**

New Bonds	Reductions			Unpaid Balance June 30, 2009	Interest to Maturity	Debt Service Requirements
	Refunded Debt	Principal Payments	Total Reductions			
-	15,070,000	7,010,000	22,080,000	-	-	-
-	-	-	-	-	-	-
-	59,555,000	13,280,000	72,835,000	-	-	-
-	-	10,000,000	10,000,000	-	-	-
-	-	10,380,000	10,380,000	73,780,000	13,421,250	87,201,250
-	-	11,260,000	11,260,000	112,885,000	26,841,750	139,726,750
-	-	535,000	535,000	70,735,000	8,298,250	79,033,250
<u>196,330,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,330,000</u>	<u>56,228,317</u>	<u>252,558,317</u>
196,330,000	74,625,000	52,465,000	127,090,000	453,730,000	104,789,567	558,519,567
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,790,000	6,790,000	-	-	-
-	20,665,000	4,565,000	25,230,000	-	-	-
-	-	7,140,000	7,140,000	41,440,000	-	41,440,000
-	-	970,000	970,000	5,650,000	515,310	6,165,310
-	-	6,610,000	6,610,000	45,440,000	-	45,440,000
-	-	950,000	950,000	6,360,000	943,400	7,303,400
-	-	7,490,000	7,490,000	64,465,000	9,590,675	74,055,675
-	-	5,910,000	5,910,000	31,130,000	2,936,156	34,066,156
-	-	-	-	21,095,000	1,589,813	22,684,813
-	-	11,385,000	11,385,000	112,950,000	20,286,394	133,236,394
-	-	34,205,000	34,205,000	128,635,000	24,403,325	153,038,325
-	-	-	-	149,000,000	32,998,150	181,998,150
-	-	-	-	<u>20,550,000</u>	<u>1,263,450</u>	<u>21,813,450</u>
-	<u>20,665,000</u>	<u>86,015,000</u>	<u>106,680,000</u>	<u>626,715,000</u>	<u>94,526,673</u>	<u>721,241,673</u>
<u>196,330,000</u>	<u>95,290,000</u>	<u>138,480,000</u>	<u>233,770,000</u>	<u>1,080,445,000</u>	<u>199,316,240</u>	<u>1,279,761,240</u>

Bond proceeds are accounted for in the Department of Finance and Administrations financial statements for the fiscal year ended June 30, 2009.

Schedule 6 - continued

YEAR ENDED JUNE 30, 2009

Issue	SHARE Fund	Year Ending June 30,		
		2010	2011	2012
General Obligation Bonds:				
Series 2005	03200	\$ 14,574,000	14,559,750	14,544,000
Series 2007	28800	17,464,250	17,463,250	17,467,750
Refunding Series 2008-A	73010	23,611,750	23,748,000	15,792,250
Series 2009 Debt Service	10630	<u>19,626,567</u>	<u>25,883,000</u>	<u>25,878,750</u>
Total General Obligation Bonds		75,276,567	81,654,000	73,682,750
Severance Tax Bonds:				
Series 2002-B Supplemental	39000	-	-	-
Series 2002-A Supplemental	09500	-	-	-
Series 2003-A	88400	41,440,000	-	-
Series 2003-B Supplemental	48400	1,195,720	1,217,483	1,231,976
Series 2004-A	49200	45,440,000	-	-
Series 2004-B Supplemental	18300	1,243,500	1,243,650	1,232,500
Series 2005-A	41200	10,335,475	10,378,000	10,458,400
Series 2005-B1 Refunding	38800	9,742,700	8,119,056	8,104,975
Series 2005-B2 Supplemental	57100	7,634,063	7,559,687	7,491,063
Series 2006-A	96300	16,557,188	16,544,438	16,591,963
Series 2007-A	53700	21,117,625	16,487,625	16,470,875
Series 2008-A	72010	18,129,650	18,219,525	18,201,025
Series 2008-A2 Refunding	72050	<u>5,378,975</u>	<u>5,430,925</u>	<u>5,476,875</u>
Total Severance Tax Bonds		<u>178,214,896</u>	<u>85,200,389</u>	<u>85,259,652</u>
Total Debt Service Requirements		\$ <u>253,491,463</u>	<u>166,854,389</u>	<u>158,942,402</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Summary of Long-term Debt Obligations - continued
Schedule of Debt Service Maturities**

<u>2013</u>	<u>2014</u>	<u>2015-2019</u>	<u>Total</u>
14,525,500	14,508,000	14,490,000	87,201,250
17,466,000	17,466,750	52,398,750	139,726,750
15,881,250	-	-	79,033,250
<u>25,883,000</u>	<u>25,883,250</u>	<u>129,403,750</u>	<u>252,558,317</u>
73,755,750	57,858,000	196,292,500	558,519,567
-	-	-	-
-	-	-	-
-	-	-	41,440,000
1,252,099	1,268,032	-	6,165,310
-	-	-	45,440,000
1,209,750	1,195,250	1,178,750	7,303,400
10,551,400	10,641,100	21,691,300	74,055,675
8,099,425	-	-	34,066,156
-	-	-	22,684,813
16,711,562	16,711,662	50,119,581	133,236,394
16,519,700	16,513,400	65,929,100	153,038,325
18,185,150	18,243,400	91,019,400	181,998,150
<u>5,526,675</u>	<u>-</u>	<u>-</u>	<u>21,813,450</u>
<u>78,055,761</u>	<u>64,572,844</u>	<u>229,938,131</u>	<u>721,241,673</u>
<u>151,811,511</u>	<u>122,430,844</u>	<u>426,230,631</u>	<u>1,279,761,240</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Summary of Long-term Debt Obligations - continued
Amortization of Bond Issuance Costs

Schedule 6 - continued

YEAR ENDED JUNE 30, 2009

	SHARE Fund	Date	Original Cost	Amortization		Accumulated Amortization June 30, 2009	Net Book Value June 30, 2009
				Accumulated Amortization June 30, 2008	Current Amortization Expense		
GENERAL OBLIGATION:							
Capital Projects - Series 2001 Enhanced 911 Revenue	41400	03/01/01	\$ 142,706	103,462	39,244	142,706	-
Bonds - Series 2000	48800	08/01/00	10,369	10,369	-	10,369	-
Capital Projects - Series 2003	03100	03/01/03	898,030	561,269	336,761	898,030	-
Refunding Series 2003-B	41800	04/01/03	187,165	96,702	90,463	187,165	-
Series 2005	03200	01/11/05	801,503	280,526	80,150	360,676	440,827
Series 2007	28800	03/01/07	463,806	57,976	46,381	104,357	359,449
Refunding Series 2008-A	73010	06/25/08	345,413	-	69,083	69,083	276,330
Series 2009	10630	05/28/09	984,010	-	8,200	8,200	975,810
			<u>3,833,002</u>	<u>1,110,304</u>	<u>670,282</u>	<u>1,780,586</u>	<u>2,052,416</u>
SEVERANCE:							
Series 2001-A Refunding	40800	11/01/01	491,432	491,432	-	491,432	-
Series 2002-A	69900	05/01/02	201,625	201,625	-	201,625	-
Series 2002-A Supplemental	09500	12/01/01	323,200	323,200	-	323,200	-
Series 2003-A Refunding	88400	06/01/03	229,530	116,678	22,953	139,631	89,899
Series 2002-B Supplemental	39000	11/01/02	206,444	206,444	-	206,444	-
Series 2003-B Supplemental	48400	11/01/03	33,445	15,329	3,345	18,674	14,771
Series 2004-A	49200	06/15/04	158,974	55,640	15,897	71,537	87,437
Series 2004-B	18300	11/17/04	127,805	44,732	12,781	57,513	70,293
Series 2005-A	41200	05/12/05	565,863	141,465	56,586	198,051	367,812
Series 2005-B1 Refunding	38800	06/28/05	399,646	199,823	79,929	279,752	119,894
Series 2005-B2 Supplemental	57100	06/28/05	110,254	55,127	22,051	77,178	33,076
Series 2006A	96300	06/20/06	346,002	51,900	34,600	86,500	259,502
Series 2007A	53700	06/28/07	325,710	16,285	32,571	48,856	276,854
Series 2008A-1	72010	06/25/08	530,440	-	53,044	53,044	477,396
Series 2008-A2 Refunding	72050	06/25/08	57,301	-	14,325	14,325	42,976
			<u>4,107,671</u>	<u>1,919,680</u>	<u>348,082</u>	<u>2,267,762</u>	<u>1,839,909</u>
BALANCES, JUNE 30, 2009			\$ <u>7,940,673</u>	<u>3,029,984</u>	<u>1,018,364</u>	<u>4,048,348</u>	<u>3,892,325</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Summary of Long-term Debt Obligations - continued

Schedule 6 – continued

Additional Information

ADDITIONAL INFORMATION RELATED TO LONG-TERM DEBT OBLIGATIONS:

The following information is presented as additional explanation of the long-term debt obligations of the State of New Mexico as detailed in Schedule 6 of this report.

GENERAL OBLIGATION BONDS:

General Obligation Bonds are issued to provide funds for capital expenditures for construction, acquisition, or improvement of the projects specified in the Acts authorized by the Legislature of the State of New Mexico. Funds are provided through the collection of property tax levies levied by other State agencies.

The following General Obligation Bonds were issued during the fiscal year ended June 30, 2009:

On May 28, 2009, the State Board of Finance issued bonds with a principal amount of \$196,330,000 to finance capital projects. The interest rate varies between three percent and five percent (3% and 5%), with principal payments due through 2019.

The annual requirements to amortize the combined General Obligation Bond issues outstanding as of June 30, 2009, including interest payments, are as follows (see details on Schedule 6):

Years ending June 30:

2010	\$ 75,276,567
2011	81,654,000
2012	73,682,750
2013	73,755,750
2014	57,858,000
2015 - 2019	<u>196,292,500</u>
	\$ <u>558,519,567</u>

SEVERANCE TAX BONDS:

Severance tax bonds are for State agencies, local governments and public and higher education, including a broad range of State and local capital needs. Funds are provided through tax receipts levied upon natural resource products, severed and saved from the lands of the State of New Mexico. There were no new bonds issued during Fiscal Year 2009.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

**Summary of Long-term Debt Obligations - continued
Additional Information**

Schedule 6 – continued

ADDITIONAL INFORMATION RELATED TO LONG-TERM DEBT OBLIGATIONS - continued:

SEVERENCE TAX BONDS – continued:

The annual requirements to amortize the combined Severance Tax Bond issues outstanding as of June 30, 2009, including interest payments, are as follows (see details on Schedule 6, page 3):

Years ending June 30:

2010	\$	178,214,896
2011		85,200,389
2012		85,259,652
2013		78,055,761
2014		64,572,844
2015 - 2019		<u>229,938,131</u>
	\$	<u>721,241,673</u>

ADVANCE AND CURRENT REFUNDINGS:

The State Board of Finance refunded certain general obligation and severance tax bonds by placing the proceeds of new bonds in an irrevocable trust to provide for the refunded portion of all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the refunded bonds are not included in the summary of long-term debt obligations in Schedule 6 of this report.

General Obligation Bonds, Series 2001 Capital Projects	\$	15,070,000
General Obligation Bonds, Series 2003 Capital Projects		<u>59,555,000</u>
	\$	<u>74,625,000</u>
Severance Tax Bonds, Series 2002A	\$	<u>20,665,000</u>

The following refunding activity occurred during the year ended June 30, 2009:

On June 25, 2008, the State Board of Finance issued Severance Tax Bond Series 2008A-2 Refunding, with a principal amount of \$20,550,000 to finance capital projects, as well as to provide partial refunding of Severance Tax Series 2002-B Supplemental. The difference in cash flow required between the prior debt service requirements and new funding debt service requirements resulted in cash flow savings of \$611,944. The economic gain, or present value savings, was \$533,126.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Summary of Long-term Debt Obligations - continued

Schedule 6 – continued

Additional Information

ADDITIONAL INFORMATION RELATED TO LONG-TERM DEBT OBLIGATIONS - continued:

ADVANCE AND CURRENT REFUNDINGS - continued:

On June 25, 2008, the State Board of Finance issued General Obligation Bond Series 2008A Refunding, with a principal amount of \$71,270,000 to finance capital projects, as well as to provide partial refunding of General Obligation Bond Series 2001 and General Obligation Bond Series 2003. The difference in cash flow required between the prior debt service requirements and new funding debt service requirements resulted in cash flow savings of \$3,045,383. The economic gain, or present value savings, was \$1,574,593.

The refundings were paid in the first quarter of fiscal year 2009.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7

Schedule of Investments - Fiduciary Funds

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
GENERAL FUND INVESTMENT POOL:						
Bank Account	Various	Various	Various	\$ <u>3,837,225</u>	\$ <u>3,837,225</u>	\$ <u>-</u>
Repurchase Agreements	Various	Various	Various	\$ <u>497,978,754</u>	\$ <u>497,978,754</u>	\$ <u>-</u>
Certificates of Deposit	Various	Various	Various	\$ <u>164,100,000</u>	\$ <u>164,100,000</u>	\$ <u>-</u>
Institutional Money Markets	Various	Various	Various	\$ <u>45,058,880</u>	\$ <u>38,427,419</u>	\$ <u>(6,631,461)</u>
Municipal Bonds:						
City of Albuquerque G02007A Sponge	0.200%	6/J154/2009	7/1/2009	\$ 25,003,000	25,003,000	-
NMEAFBND NM Educational Assis	1.480%	12/15/2008	9/30/2009	95,135,000	95,135,000	-
NMEAFBND NMEAF-PR 2008D	1.383%	8/15/2008	9/30/2009	50,000,000	50,000,000	-
Albuquerque NM ARP	4.380%	11/19/2008	7/1/2009	3,650,000	3,650,000	-
Albuquerque NM ARP	4.380%	11/19/2008	7/1/2009	<u>4,210,000</u>	<u>4,275,867</u>	<u>65,867</u>
Total Municipal Bonds				177,998,000	178,063,867	65,867
US Government Securities:						
US Treasury Notes:						
US Treasury Notes	0.875%	6/11/2009	5/31/2011	<u>50,000,000</u>	<u>49,820,500</u>	<u>(179,500)</u>
Total US Treasury Notes				50,000,000	49,820,500	(179,500)
US Treasury Bills:						
US Treasury Bill	0.875%	6/11/2009	5/31/2011	25,000,000	24,994,250	(5,750)
US Treasury Bill	0.000%	4/23/2009	10/22/2009	50,000,000	49,968,500	(31,500)
US Treasury Bill	0.000%	02/27/09	02/11/10	<u>25,000,000</u>	<u>24,943,500</u>	<u>(56,500)</u>
Total US Treasury Bills				100,000,000	99,906,250	(93,750)
Federal Farm Credit Banks Cons Long:						
Federal Farm Credit	4.100%	03/28/08	11/04/10	10,000,000	10,437,500	437,500
Federal Farm Credit	4.500%	01/17/08	10/17/12	5,000,000	5,381,250	381,250
Federal Farm Credit	3.500%	01/18/08	01/18/11	2,000,000	2,077,500	77,500
Federal Farm Credit	3.500%	01/18/08	01/18/11	<u>7,000,000</u>	<u>7,271,250</u>	<u>271,250</u>
Total Federal Farm Credit Banks				24,000,000	25,167,500	1,167,500
Federal Home Loan Banks:						
Federal Home Loan	4.875%	01/17/08	12/14/12	15,000,000	16,207,850	1,207,850
Federal Home Loan	5.000%	04/25/08	09/09/11	10,000,000	10,690,600	690,600
Federal Home Loan	5.000%	01/17/08	10/13/11	7,000,000	7,549,080	549,080
Federal Home Loan	4.875%	01/17/08	06/08/12	10,000,000	10,843,800	843,800
Federal Home Loan	5.000%	01/17/08	09/14/12	13,380,000	14,442,454	1,062,454

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
GENERAL FUND INVESTMENT POOL - continued:						
US Government Securities - continued:						
Federal Home Loan Banks:						
Federal Home Loan	5.000%	04/25/08	09/14/12	\$ 7,000,000	\$ 7,558,160	\$ 558,160
Federal Home Loan	2.875%	03/14/08	03/11/11	5,000,000	5,148,450	148,450
Federal Home Loan	3.500%	04/25/08	03/08/13	5,000,000	5,217,200	217,200
Federal Home Loan	3.250%	04/25/08	03/11/11	<u>5,000,000</u>	<u>5,182,800</u>	<u>182,800</u>
Total Federal Home Loan Banks				77,380,000	82,840,394	5,460,394
Federal Agricultural Mortgage Corp:						
Federal Agricultural Mtg. Corp.	3.875%	08/19/08	08/19/11	<u>25,000,000</u>	<u>26,189,000</u>	<u>1,189,000</u>
Total Federal Home Loan Banks				25,000,000	26,189,000	1,189,000
Federal Home Loan Mortgage Corporation						
Freddie Mac-2nd	4.500%	05/01/08	12/16/10	<u>10,000,000</u>	<u>10,506,300</u>	<u>506,300</u>
Total Federal Home Loan Mortgage Corporation				10,000,000	10,506,300	506,300
Federal National Mortgage Associations ME:						
Fannie Mae-2nd	5.000%	01/17/08	08/02/12	<u>1,000,000</u>	<u>1,090,310</u>	<u>90,310</u>
Total Federal National Mortgage Associations DE:				<u>1,000,000</u>	<u>1,090,310</u>	<u>90,310</u>
Total US Government Securities				287,380,000	295,520,254	8,140,254
Asset Backed Securities:						
Federal Home Loan Mortgage Co Mortgaged Backed Securities:						
FHR 3540 CD	2.000%	06/30/09	06/15/14	41,000,000	40,935,938	(64,062)
FHR 3540 CD	2.000%	06/30/09	06/15/14	<u>59,000,000</u>	<u>58,889,375</u>	<u>(110,625)</u>
Total Federal Home Loan Mortgage Co Mortgaged Backed Securities				100,000,000	99,825,313	(174,687)
Federal National Mortgage Association Mortgaged Backed Securities:						
FNMA (890118)	4.500%	3/20/2009	3/1/2014	14,188,967	14,655,434	466,467
FNMA (890118)	4.500%	3/20/2009	3/1/2014	<u>21,788,200</u>	<u>22,470,745</u>	<u>682,545</u>
Total Federal National Mortgage Association Mortgaged Backed Securities				35,977,167	37,126,179	1,149,012
Total Asset Backed Securities				135,977,167	136,951,492	974,325

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
GENERAL FUND INVESTMENT POOL - continued:						
Corporate Bonds:						
Corporate Bonds:						
Abbot Laboratories	5.150%	11/09/07	11/30/12	\$ 10,000,000	10,804,800	804,800
AIG 2nd	4.625%	9/24/2007	09/01/10	5,000,000	3,784,650	(1,215,350)
Banc One Corp-JPM	10.000%	09/24/07	08/15/10	7,062,000	7,510,225	448,225
Credit Suisse USA	5.500%	09/27/07	08/16/11	9,935,000	10,509,541	574,541
First Mass BK NA 2	7.625%	09/25/07	06/15/11	4,770,000	4,780,399	10,399
Genworth Global	5.375%	09/27/07	09/15/11	10,000,000	9,507,400	(492,600)
Goldman Sachs Group	6.875%	09/25/07	01/15/11	10,000,000	10,572,100	572,100
HSBC Finance Corp	6.750%	09/28/07	05/15/11	6,000,000	6,169,140	169,140
HSBC Finance Corp	5.700%	09/25/07	06/01/11	5,230,000	5,277,959	47,959
Intl. Lease Finance	5.125%	09/27/07	11/01/10	5,000,000	4,466,250	(533,750)
Morgan Stanley 2nd	6.600%	09/25/07	04/01/12	10,000,000	10,587,600	587,600
Northern ILL Gas	6.625%	11/02/07	02/01/11	6,925,000	7,411,412	486,412
WalMart Stores	4.125%	11/02/07	02/15/11	<u>5,000,000</u>	<u>5,189,000</u>	<u>189,000</u>
Total Corporate Bonds				94,922,000	96,570,476	1,648,476
Corporate Bonds FRN Quarterly:						
Wells Fargo CO	0.630%	06/19/07	06/18/10	<u>10,000,000</u>	<u>9,931,100</u>	<u>(68,900)</u>
Total Corporate Bonds FRN Qrtly				10,000,000	9,931,100	(68,900)
TLGP:						
HSBC primary	3.125%	12/2/08	12/16/11	25,000,000	25,880,750	880,750
Morgan Stanley primary	3.250%	12/16/08	12/01/11	<u>25,000,000</u>	<u>25,934,500</u>	<u>934,500</u>
Total TLGP				50,000,000	51,815,250	1,815,250
TLGP Variable Rate:						
Goldman Sachs GP	1.491%	02/20/09	11/09/11	75,000,000	75,767,250	767,250
JP Morgan Chase	1.331%	02/24/09	02/23/11	15,000,000	15,028,050	28,050
Morgan Stanley primary	0.959%	01/20/09	06/20/12	40,000,000	40,538,800	538,800
Morgan Stanley primary	0.829%	03/13/09	03/13/12	<u>25,000,000</u>	<u>25,228,750</u>	<u>228,750</u>
Total TLGP Variable Rate				155,000,000	156,562,850	1,562,850
Total Corporate Bonds				309,922,000	314,879,676	4,957,676
Commercial Paper:						
Straight A Funding	0.000%	05/19/09	08/10/09	20,116,000	20,096,057	(19,943)
Straight A Funding	0.000%	05/19/09	07/06/09	<u>20,000,000</u>	<u>19,990,667</u>	<u>(9,333)</u>
Total Commercial Paper				<u>40,116,000</u>	<u>40,086,724</u>	<u>(29,276)</u>
Total General Fund Investment Pool (State Funds Investment Pool)				\$ <u>1,662,368,026</u>	<u>1,669,845,411</u>	<u>7,477,385</u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
LOCAL GOVERNMENT INVESTMENT POOL:						
Bank Account	Various	Various	Various	\$ <u>148,042,628</u>	<u>148,042,628</u>	<u>-</u>
Certificates of Deposit	Various	Various	Various	\$ <u>40,000,000</u>	<u>40,000,000</u>	<u>-</u>
US Government Securities:						
US Treasury Notes						
U.S. TREASURY NOTES	3.625%	04/02/09	07/15/09	\$ 40,688,000	40,749,276	61,276
U.S. TREASURY NOTES	4.875%	04/16/09	08/15/09	100,000,000	100,590,900	590,900
U.S. TREASURY NOTES	4.000%	04/24/09	08/31/09	25,000,000	25,162,250	162,250
U.S. TREASURY NOTES	4.000%	05/28/09	08/31/09	75,000,000	75,472,750	472,750
U.S. TREASURY NOTES	3.375%	06/17/09	09/15/09	100,000,000	100,664,900	664,900
U.S. TREASURY NOTES	4.000%	06/05/09	09/30/09	<u>100,000,000</u>	<u>100,963,680</u>	<u>963,680</u>
Total US Treasury Notes				440,688,000	443,603,756	2,915,756
US Treasury Bills						
U.S. TREASURY BILLS	0.085%	04/23/09	07/02/09	75,000,000	75,000,000	-
U.S. TREASURY BILLS	0.163%	06/11/09	08/20/09	50,000,000	49,989,548	(10,452)
U.S. TREASURY BILLS	0.161%	06/11/09	08/20/09	<u>50,000,000</u>	<u>49,989,548</u>	<u>(10,452)</u>
Total US Treasury Bills				<u>175,000,000</u>	<u>174,979,096</u>	<u>(20,904)</u>
Total US Government Securities				615,688,000	618,582,852	2,894,852
Corporate Bonds:						
General Reinsurance Corp 2nd	9.000%	1/13/2009	9/13/2009	<u>15,000,000</u>	<u>15,216,750</u>	<u>216,750</u>
Total Corporate Bonds				15,000,000	15,216,750	216,750
Commercial Paper:						
Commercial Paper- Discount						
86257MBC Straight-A Funding	0.260%	06/26/09	07/09/09	<u>50,006,000</u>	<u>50,003,111</u>	<u>(2,889)</u>
Total Commercial Paper- Discount				50,006,000	50,003,111	(2,889)
Commercial Paper TLGP - Discount						
USBNA - TLGP	1.010%	04/23/09	09/16/09	<u>50,000,000</u>	<u>49,940,000</u>	<u>(60,000)</u>
Total Commercial Paper TLGP - Discount				<u>50,000,000</u>	<u>49,940,000</u>	<u>(60,000)</u>
Total Commercial Paper				<u>100,006,000</u>	<u>99,943,111</u>	<u>(62,889)</u>
Total Local Government Investment Pool (Short-term Investment Pool)				\$ <u>918,736,628</u>	<u>921,785,341</u>	<u>3,048,713</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Bond Proceeds Investment Pool #2 (Taxable):						
Repurchase Agreements	Various	Various	Various	\$ <u>201,707,687</u>	<u>201,707,687</u>	<u>-</u>
Institutional Money Markets	0.000%	Various	Various	\$ <u>18,621,156</u>	<u>15,880,620</u>	<u>(2,740,536)</u>
US Government Securities:						(4,605,778)
US Treasury Notes:						
US T Notes	0.875%	6/11/2009	5/31/2011	<u>25,000,000</u>	<u>24,910,250</u>	<u>(89,750)</u>
Total US Treasury Notes				25,000,000	24,910,250	(89,750)
US Treasury Bills:						
US T Bills	0.000%	4/23/2009	10/22/2009	<u>25,000,000</u>	<u>24,984,250</u>	<u>(15,750)</u>
Total US Treasury Bills				25,000,000	24,984,250	(15,750)
Federal Farm Credit Banks Consolidated Long:						
FFCB 2nd	5.000%	3/14/08	10/23/09	<u>5,000,000</u>	<u>5,073,450</u>	<u>73,450</u>
Total Federal Farm Credit Banks				5,000,000	5,073,450	73,450
Federal AG Mortgage Corp:						
Fed Agricultural Mortg. Corp.	3.875%	8/19/2008	8/19/2011	<u>10,000,000</u>	<u>10,306,300</u>	<u>306,300</u>
Total Federal Agricultural Mtg Corp:				10,000,000	10,306,300	306,300
Federal Home Loan Banks:						
FHLB 2nd	4.500%	12/29/2006	8/14/2009	10,000,000	10,050,000	50,000
FHLB 2nd	4.375%	12/29/2006	9/11/2009	10,000,000	10,081,300	81,300
FHLB 2nd	4.500%	2/28/2008	10/9/2009	3,970,000	4,015,893	45,893
FHLB 2nd	4.000%	12/29/2006	11/13/2009	9,660,000	9,792,825	132,825
FHLB 2nd	4.250%	2/28/2008	11/20/2009	3,970,000	4,030,781	60,781
FHLB 2nd	5.000%	12/29/2006	12/11/2009	10,000,000	10,209,400	209,400
FHLB 2nd	5.000%	3/14/2008	12/11/2009	1,010,000	1,031,149	21,149
FHLB 2nd	3.875%	2/28/2008	1/15/2010	970,000	988,188	18,188
FHLB 2nd	4.710%	3/14/2008	8/16/2010	4,550,000	4,759,027	209,027
FHLB 2nd	3.375%	8/15/2008	9/10/2010	7,000,000	7,225,330	225,330
FHLB June/Dec 2nd	4.750%	8/15/2008	12/10/2010	12,760,000	13,465,756	705,756
FHLB 2nd	4.875%	8/15/2008	12/10/2010	4,810,000	5,082,054	272,054
FHLB 2nd	3.500%	8/28/2008	12/10/2010	9,815,000	10,180,020	365,020
FHLB 2nd	2.875%	3/14/2008	3/11/2011	5,000,000	5,148,450	148,450
FHLB 2nd	3.750%	8/15/2008	9/9/2011	7,000,000	7,308,910	308,910
FHLB 2nd	3.750%	8/25/2008	9/9/2011	10,000,000	10,441,300	441,300
FHLB 2nd	3.750%	8/28/2008	9/9/2011	5,000,000	5,220,650	220,650
FHLB 2nd	3.250%	8/7/2008	3/9/2012	<u>16,555,000</u>	<u>17,206,936</u>	<u>651,936</u>
Total Federal Home Loan Banks				132,070,000	136,237,969	4,167,969

See Independent Auditors' Report.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Bond Proceeds Investment Pool #2 (Taxable) - continued:						
US Government Securities - continued:						
Federal Home Loan Mortgage Co.:						
FHLMC / Freddie Mac 2nd	4.250%	2/28/2008	7/15/2009	\$ 3,970,000	3,976,193	6,193
FHLMC / Freddie Mac 2nd	4.875%	2/28/2008	2/9/2010	3,970,000	4,076,714	106,714
FHLMC / Freddie Mac 2nd	4.750%	8/15/2008	10/4/2010	3,500,000	3,672,970	172,970
FHLMC / Freddie Mac 2nd	4.125%	8/15/2008	2/24/2011	10,900,000	11,369,256	469,256
FHLMC / Freddie Mac 2nd	4.375%	8/15/2008	11/9/2011	<u>3,000,000</u>	<u>3,191,610</u>	<u>191,610</u>
Total Federal Home Loan Mortgage Co.				25,340,000	26,286,743	946,743
Federal National Mortgage Association Debentures:						
FNMA 2nd	4.625%	2/28/2008	12/15/2009	3,970,000	4,048,169	78,169
Fannie Mae 2nd	4.000%	8/22/2008	4/15/2013	<u>2,400,000</u>	<u>2,543,256</u>	<u>143,256</u>
Total Federal National Mortgage Association Debentures				6,370,000	6,591,425	221,425
Federal National Mortgage Association Medterm NT:						
FNMA 2nd	4.500%	12/29/2006	7/27/2009	10,000,000	10,028,100	28,100
FNMA 2nd	6.625%	1/23/2007	9/15/2009	<u>14,000,000</u>	<u>14,179,340</u>	<u>179,340</u>
Total Federal National Mortgage Association Medterm NT				<u>24,000,000</u>	<u>24,207,440</u>	<u>207,440</u>
Total US Government Securities				252,780,000	258,597,827	5,817,827
Corporate Bonds:						
Corporate Bonds:						
HSBC Finance Corp 2nd	4.125%	11/1/07	11/16/09	10,000,000	10,055,200	55,200
WalMart Stores Corp 2nd	4.750%	11/1/07	8/15/10	10,000,000	10,319,600	319,600
General Electric CAP Corp 2nd	5.000%	11/1/07	12/1/10	10,000,000	10,293,600	293,600
Morgan Stanley 2nd	5.750%	10/12/07	8/31/12	5,000,000	5,166,100	166,100
Goldman Sachs Group Inc 2nd	5.700%	10/12/07	9/1/12	<u>10,000,000</u>	<u>10,468,000</u>	<u>468,000</u>
Total Corporate Bonds:				45,000,000	46,302,500	1,302,500
Corporate Bonds FRN Quarterly:						
Merrill Lynch 2nd	5.440%	8/3/07	12/4/09	5,000,000	4,990,400	(9,600)
Merrill Lynch 2nd	5.460%	8/3/07	3/23/10	5,000,000	4,921,800	(78,200)
Goldman Sach 2nd	5.460%	8/3/07	6/28/10	<u>5,000,000</u>	<u>4,964,300</u>	<u>(35,700)</u>
Total Corporate Bonds FRN Quarterly:				15,000,000	14,876,500	(123,500)
Corporate Bonds FRN Monthly:						
Morgan Stanley 2nd	5.410%	8/3/07	1/15/10	<u>4,075,000</u>	<u>4,038,081</u>	<u>(36,919)</u>
Total Corporate Bonds FRN Monthly:				4,075,000	4,038,081	(36,919)

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Bond Proceeds Investment Pool #2 (Taxable) - continued:						
Corporate Bonds - continued:						
TLGP Securities:						
Bank of America - primary	1.700%	12/23/08	12/23/10	\$ 10,000,000	10,115,600	115,600
HSBC - primary	3.125%	12/16/08	12/16/11	<u>25,000,000</u>	<u>25,880,750</u>	<u>880,750</u>
Total TLGP Securities:				35,000,000	35,996,350	996,350
TLGP Securities Variable:						
JP Morgan Chase primary	1.331%	2/24/09	2/23/11	10,000,000	10,018,700	18,700
Goldman Sachs Group Inc	1.491%	2/20/09	11/9/11	55,000,000	55,562,650	562,650
Morgan Stanley primary	3.067%	12/2/08	12/1/11	5,000,000	5,084,200	84,200
Morgan Stanley primary	1.526%	3/13/09	3/13/12	25,000,000	25,228,750	228,750
Morgan Stanley primary	1.573%	1/20/09	6/20/12	<u>30,000,000</u>	<u>30,404,100</u>	<u>404,100</u>
Total TLGP Securities Variable:				<u>125,000,000</u>	<u>126,298,400</u>	<u>1,298,400</u>
Total Corporate Bonds:				224,075,000	227,511,831	3,436,831
Commercial Paper:						
86257CBL Straight A Fndg	0.000%	05/19/09	08/10/09	<u>30,000,000</u>	<u>29,970,258</u>	<u>(29,742)</u>
Total Commercial Paper				30,000,000	29,970,258	(29,742)
Asset Backed Securities:						
Commercial ABS:						
Harot 2006-3 A4 2nd	5.110%	10/31/07	04/15/12	<u>10,000,000</u>	<u>10,100,000</u>	<u>100,000</u>
Total Commercial ABS				10,000,000	10,100,000	100,000
Federal Home Loan Mortgage Co Mortgaged Backed Securities:						
FHR 3540 CD	2.000%	06/30/09	06/15/14	100,000,000	99,192,782	(807,218)
FHR 3540 CD	2.000%	06/30/09	06/15/14	<u>20,500,000</u>	<u>20,328,156</u>	<u>(171,844)</u>
Total Federal Home Loan Mortgage Co Mortgaged Backed Securities:				<u>120,500,000</u>	<u>119,520,938</u>	<u>(979,062)</u>
Total Asset Backed Securities				<u>130,500,000</u>	<u>129,620,938</u>	<u>(879,062)</u>
Total Bond Proceeds Investment Pool #2 (Taxable)				\$ <u>857,683,843</u>	<u>863,289,161</u>	<u>5,605,318</u>
(Part 1 of the Consolidated Investment Pool)						

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Bond Proceeds Investment Pool #1 (Tax Exempt):						
Repurchase Agreements	Various	Various	Various	\$ <u>149,313,559</u>	<u>149,313,559</u>	<u>-</u>
Institutional Money Markets	0.000%	Various	Various	\$ <u>12,673,783</u>	<u>10,808,541</u>	<u>(1,865,242)</u>
US Government Securities:						
US Treasury Notes:						
US T Notes	0.875%	06/11/09	05/31/11	\$ <u>25,000,000</u>	<u>24,910,250</u>	<u>(89,750)</u>
Total US Treasury Notes				25,000,000	24,910,250	(89,750)
US Treasury Bills:						
US T Bills	0.000%	04/23/09	10/22/09	<u>25,000,000</u>	<u>24,984,250</u>	<u>(15,750)</u>
Total US Treasury Bills				25,000,000	24,984,250	(15,750)
Federal Farm Credit Banks Consolidated Long:						
FFCB 2nd	5.375%	04/25/07	07/20/09	3,970,000	3,981,156	11,156
FFCB 2nd	4.850%	04/26/07	12/16/09	3,970,000	4,050,631	80,631
Federal Farm Credit Bank 2nd	3.150%	06/02/08	05/19/11	<u>11,420,000</u>	<u>11,826,895</u>	<u>406,895</u>
Total Federal Farm Credit Banks				19,360,000	19,858,682	498,682
Federal Home Loan Banks:						
FHLB 2nd	5.250%	04/25/07	08/05/09	3,970,000	3,988,619	18,619
FHLB 2nd	4.500%	04/26/07	02/12/10	3,970,000	4,068,019	98,019
Federal Home Loan Bank 2nd	4.700%	06/02/08	08/10/10	14,510,000	15,112,259	602,259
Federal Home Loan Bank 2nd	3.500%	06/02/08	12/10/10	10,000,000	10,371,900	371,900
Federal Home Loan Bank 2nd	3.500%	06/02/08	12/10/10	5,000,000	5,185,950	185,950
FHLB 2nd	5.250%	05/30/08	06/10/11	3,500,000	3,753,750	253,750
FHLB 2nd	3.375%	06/02/08	06/10/11	<u>15,000,000</u>	<u>15,604,650</u>	<u>604,650</u>
Total Federal Home Loan Banks				55,950,000	58,085,147	2,135,147
Federal Home Loan Mortgage Corp:						
	4.750%	04/26/07	11/03/09	\$ <u>3,970,000</u>	\$ <u>4,030,781</u>	\$ <u>60,781</u>
Total Federal Home Loan Mortgage Corp				3,970,000	4,030,781	60,781
Federal National Mortgage Association Medtrm NT:						
Fannie Mae 2nd Gov Sec	5.125%	12/17/07	07/13/09	8,700,000	8,713,572	13,572
FNMA 2nd	7.250%	04/26/07	01/15/10	<u>3,970,000</u>	<u>4,118,875</u>	<u>148,875</u>
Total National Mortgage Association Medtrm NT				12,670,000	12,832,447	162,447

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Bond Proceeds Investment Pool #1 (Tax Exempt) - continued:						
Federal AG Mortgage Corp: Fed Agricultural Mortg. Corp.	3.875%	8/19/2008	8/19/2011	\$ <u>10,000,000</u>	<u>10,306,300</u>	<u>306,300</u>
Total Federal Agricultural Mtg Corp				<u>10,000,000</u>	<u>10,306,300</u>	<u>306,300</u>
Total US Government Securities				151,950,000	155,007,857	3,057,857
Corporate Bonds:						
Wells Fargo Company 2nd Corp	4.200%	10/30/07	01/15/10	<u>10,000,000</u>	<u>10,115,200</u>	<u>115,200</u>
Total Corporate Bonds:				10,000,000	10,115,200	115,200
TLGP:						
Bank of America Corp primary	1.700%	12/23/08	12/23/10	15,000,000	15,173,400	173,400
JP Morgan 2nd	3.125%	06/30/09	12/01/11	25,000,000	25,861,250	861,250
HSBC primary	3.125%	12/16/08	12/16/11	25,000,000	25,880,750	880,750
HSBC primary	3.125%	06/30/09	12/16/11	25,000,000	25,880,750	880,750
Bank of America Corp primary	2.100%	6/30/09	4/30/12	25,000,000	25,038,000	38,000
Bank of America 2nd	3.125%	6/30/09	6/15/12	25,000,000	25,783,750	783,750
Wells Fargo Company 2nd	2.125%	06/30/09	06/15/12	<u>25,000,000</u>	<u>25,073,250</u>	<u>73,250</u>
Total TLGP:				165,000,000	168,691,150	3,691,150
TLGP Variable Rate:						
JP Morgan Chase primary	1.331%	02/24/09	02/23/11	10,000,000	10,018,700	18,700
Morgan Stanley primary	3.067%	12/02/08	12/01/11	10,000,000	10,168,400	168,400
Morgan Stanley primary	1.526%	03/13/09	03/13/12	25,000,000	25,228,750	228,750
Morgan Stanley primary	1.573%	01/20/09	06/20/12	<u>30,000,000</u>	<u>30,404,100</u>	<u>404,100</u>
Total TLGP Variable Rate:				<u>75,000,000</u>	<u>75,819,950</u>	<u>819,950</u>
Total Corporate Bonds:				250,000,000	254,626,300	4,626,300
Commercial Paper:						
Commercial Paper Discount:						
Straight A Fndg	0.000%	05/19/09	08/10/09	<u>30,000,000</u>	<u>29,970,258</u>	<u>(29,742)</u>
Total Commercial Paper:				30,000,000	29,970,258	(29,742)
Asset Backed Securities						
Federal Home Loan Banks Mortgaged Backed Securities:						
FHR 3540 CD	2.000%	04/25/07	06/15/14	100,000,000	99,192,782	(807,218)
FHR 3540 CD	2.000%	04/26/07	06/15/14	<u>20,500,000</u>	<u>20,328,156</u>	<u>(171,844)</u>
Total Federal Home Loan Bks MBS:				<u>120,500,000</u>	<u>119,520,938</u>	<u>(979,062)</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Bond Proceeds Investment Pool #1 (Tax Exempt) - continued:						
Total Asset Backed Securities				\$ 120,500,000	119,520,938	(979,062)
Total Bond Proceeds Investment Pool #1 (Tax Exempt) (Part 2 of the Consolidated Investment Pool)				\$ 714,437,342	719,247,453	4,810,111

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2009

Security Description	Interest Rate	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain (loss)
Reserve Contingency Fund:						
Institutional Money Markets	0.000%	Various	Various	\$ <u>38,337,078</u>	<u>32,694,886</u>	<u>(5,642,192)</u>
Total Reserve Contingency Fund				\$ <u>38,337,078</u>	<u>32,694,886</u>	<u>(5,642,192)</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 7 - continued

Schedule of Investments - Fiduciary Funds - continued

YEAR ENDED JUNE 30, 2008

Security Description	Book Value	Market Value	Unrealized Gain (loss)
Local Government Investment Pool (Short-term Investment Pool)	\$ 918,736,628	921,785,341	3,048,713
General Fund Investment Pool (State Funds Investment Pool)	1,662,368,026	1,669,845,411	7,477,385
Bond Proceeds Taxable (Consolidated Investment Pool)	857,683,843	863,289,161	5,605,318
Bond Proceeds Tax Exempt (Consolidated Investment Pool)	714,437,342	719,247,453	4,810,111
Reserve Contingency Fund	<u>38,337,078</u>	<u>32,694,886</u>	<u>(5,642,192)</u>
Grand Total of all Funds	\$ <u>4,191,562,917</u>	<u>4,206,862,252</u>	<u>15,299,335</u>

Reconciliation to financial statements:

Per Schedule of Investments	\$ 4,206,862,252
Less: Repurchase Agreements reported in Debt Service Funds*	(232,629,658)
Less: Investment in State General Fund Investment Pool, Governmental Activities*	<u>(290,198)</u>
Total Cash and Investments, Statement of Fiduciary Net Assets	\$ <u>3,973,942,396</u>

* Amounts are deducted from the State Funds Investment Pool

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 8

Combining Statement of Fiduciary Net Assets

AS OF JUNE 30, 2009

	Investment Trust Funds				Total (Memorandum Only)
	Short-term Investment Pool	Consolidated Investment Pool	State Funds Investment Pool	Reserve Contingency Fund	
ASSETS:					
Cash and investments:					
Cash in banks	\$ 148,042,628	-	3,547,027	-	151,589,655
Certificates of Deposit	40,000,000	-	164,100,000	-	204,100,000
Institutional Money Market	-	26,689,161	38,427,419	32,694,886	97,811,466
Commercial Paper	99,943,111	59,940,516	40,086,724	-	199,970,351
Asset Backed securities	-	249,141,876	136,951,492	-	386,093,368
U.S. Government securities	618,582,852	413,605,684	295,520,254	-	1,327,708,790
Corporate Bonds	15,216,750	482,138,131	314,879,676	-	812,234,557
Municipal Bonds	-	-	178,063,867	-	178,063,867
Repurchase agreements	-	<u>351,021,246</u>	<u>265,349,096</u>	-	<u>616,370,342</u>
Total cash and investments	921,785,341	1,582,536,614	1,436,925,555	32,694,886	3,973,942,396
Other assets	<u>6,300,392</u>	<u>5,547,741</u>	<u>4,978,304</u>	-	<u>16,826,437</u>
TOTAL ASSETS	\$ <u>928,085,733</u>	<u>1,588,084,355</u>	<u>1,441,903,859</u>	<u>32,694,886</u>	<u>3,990,768,833</u>
NET ASSETS HELD IN TRUST	\$ <u>928,085,733</u>	<u>1,588,084,355</u>	<u>1,441,903,859</u>	<u>32,694,886</u>	<u>3,990,768,833</u>
TOTAL LIABILITIES AND NET ASSETS HELD IN TRUST	\$ <u>928,085,733</u>	<u>1,588,084,355</u>	<u>1,441,903,859</u>	<u>32,694,886</u>	<u>3,990,768,833</u>

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 9

Combining Statement of Changes in Fiduciary Net Assets

YEAR ENDED JUNE 30, 2009

	Investment Trust Fund				Total (Memorandum Only)
	Short-term Investment Pool	Consolidated Investment Pool	State Funds Investment Pool	Reserve Contingency Fund	
Investment income	\$ 18,778,320	36,777,147	40,984,003	-	96,539,470
Expenses - management fees	(384,000)	-	-	-	(384,000)
Net investment income	18,394,320	36,777,147	40,984,003	-	96,155,470
Net proceeds of desposits (withdrawals)	(764,502,544)	(185,147,597)	(749,356,661)	32,694,886	(1,666,311,916)
Net assets, held in trust for pool participants, June 30, 2008	<u>1,674,193,957</u>	<u>1,736,454,805</u>	<u>2,150,276,517</u>	-	<u>5,560,925,279</u>
Net assets, held in trust for pool participants, June 30, 2009	\$ <u>928,085,733</u>	<u>1,588,084,355</u>	<u>1,441,903,859</u>	<u>32,694,886</u>	<u>3,990,768,833</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Schedule 10

Schedule of Collateral Pledged by Depository

YEAR ENDED JUNE 30, 2009

Location of Depository	Name of Institution	Deposits	FDIC	Collateral Required	Collateral Pledged		Excess (under)
					Surety Bond Letter of Credit	Securities	
BANKS:							
Alamagordo							
(FHLB)	First National Bank	\$ 729,187	250,000	239,594	-	2,201,712	1,962,118
(FHLB)	Western Bank	1,600,000	250,000	675,000	-	850,721	175,721
Albuquerque							
(WFB)	Bank of America	156,295,125	250,000	156,045,125	-	184,634,904	28,589,779
(WFB)	Bank of the West	1,809,252	250,000	1,559,252	-	2,340,608	781,356
(WFB)	Compass Bank	31,266,159	250,000	31,016,159	30,000,000	2,098,731	1,082,572
(FHLB)	First Community Bank	24,034,414	1,211,411	22,823,003	21,000,000	1,944,132	121,129
(WFB)	New Mexico Bank & Trust	259,292	250,000	4,646	-	200,000	195,354
(BA)	Wells Fargo Bank NM, N.A.	35,604,482	250,000	17,677,241	-	23,436,465	5,759,224
Artesia							
(FHLB)	First National Bank	53,551	53,551	-	-	-	-
(FHLB)	Western Bank	-	-	-	-	-	-
Belen							
(TIB)	My Bank	2,529,162	250,000	1,139,581	1,000,000	181,344	41,763
Carlsbad							
(FHLB)	Carlsbad National Bank	1,003,246	250,000	376,623	-	1,060,310	683,687
(FHLB)	Western Commerce Bank	10,071,017	250,000	4,910,509	-	5,612,845	702,336
Clayton							
(FHLB)	Farmers & Stockmens Bank	4,097,688	250,000	1,923,844	-	3,308,908	1,385,064
(FHLB)	First National Bank of NM	8,830,363	250,000	4,290,182	-	5,171,200	881,018
Clovis							
(TIB)	Bank of Clovis	344,972	250,000	47,486	-	1,525,000	1,477,514
(TIB)	Citizens Bank	14,547	14,547	-	-	164,708	164,708
(FHLB)	Western Bank	2,600,000	250,000	1,175,000	-	1,593,997	418,997
Espanola							
(TIB)	Valley National Bank	15,000,208	250,000	14,750,208	-	15,157,581	407,373
Gallup							
(FHLB)	Pinnacle Bank	2,040	2,040	-	-	-	-
Grants							
(TIB)	Grants State Bank	253,999	250,000	2,000	-	791,577	789,577
Hobbs							
(TIB)	Lea County State Bank	412,521	250,000	81,261	-	455,000	373,739
Las Cruces							
(WFB)	Bank of the Rio Grande	1,000,000	250,000	375,000	-	600,000	225,000
(TIB)	Citizens Bank	21,122	21,122	-	-	-	-
Las Vegas							
(FHLB)	Bank of Las Vegas	1,048,870	250,000	399,435	-	500,000	100,565
(FHLB)	First National Bank	10,199,201	250,000	4,274,251	1,000,000	4,606,485	631,534
SUBTOTAL		309,081,118	6,302,671	264,486,100	53,000,000	258,436,228	46,950,128

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

Location of Depository	Name of Institution	Deposits	FDIC	Collateral Required	Collateral Pledged		Excess (under)
					Surety Bond Letter of Credit	Securities	
BANKS - continued:							
Lordsburg (FHLB)	Western Bank	\$ 3,049,579	250,000	1,399,790	-	2,175,000	775,210
Los Alamos (FHLB)	Los Alamos National Bank	20,026,873	250,000	9,888,437	10,000,000	-	111,563
Portales (FIB)	Portales National Bank	553,910	250,000	151,955	-	313,392	161,437
Raton (FIB)	International State Bank	127,142	127,142	-	-	576,836	576,836
Roswell (FHLB)	Bank of the Southwest	1,364,979	250,000	557,490	-	768,006	210,516
(FIB)	Valley Bank of Commerce	70,571	70,571	-	-	250,000	250,000
Ruidoso (FHLB)	First National Bank	4,000,000	250,000	1,875,000	-	3,310,301	1,435,301
Santa Fe (FHLB)	Century Bank	25,000,000	250,000	12,375,000	-	12,698,223	323,223
(FHLB)	Community Bank	56,788	56,788	-	-	25,589	25,589
(WFB)	First National Bank	10,000,000	250,000	4,875,000	-	7,909,222	3,034,222
Silver City (FHLB)	AM Bank	-	-	-	-	-	-
Socorro (BA)	First State Bank	276,056	276,056	-	-	-	-
Taos (FIB)	Centinel Bank	82,518	82,518	-	-	-	-
(FHLB)	Peoples Bank	-	-	-	-	-	-
SAVINGS AND LOANS:							
Alamogordo (FHLB)	Alamogordo Federal S&L	427,632	250,000	177,632	-	259,391	81,759
Albuquerque (FHLB)	Union Savings Bank	5,000,000	250,000	4,750,000	-	5,036,013	286,013
Roswell (FHLB)	First Federal Bank	-	-	-	-	-	-
Santa Fe (FHLB)	Charter Bank for Savings	14,000,000	250,000	13,750,000	-	19,642,700	5,892,700
CREDIT UNION:							
Santa Fe	Guadalupe Credit Union	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SUBTOTAL		84,136,048	3,213,075	49,800,304	10,000,000	52,964,673	13,164,369

Details of the collateral pledged are on file with the Office of the State Treasurer.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

Location of Depository	Name of Institution	Deposits	FDIC	Collateral Required	Collateral Pledged		Excess (under)
					Surety Bond Letter of Credit	Securities	
ANCILLARY RECEIVERSHIP ACCOUNTS:							
Albuquerque							
(BA)	Bank of America, N.A.	\$ 325,884	250,000	75,884	-	254,597	178,713
(FHLB)	First Community Bank	-	-	-	-	-	-
(WFB)	Wells Fargo Bank, N.A.	4,323	4,323	-	-	-	-
Espanola							
(IIB)	Valley National Bank	398,776	250,000	148,776	-	200,000	51,224
Los Alamos							
(FHLB)	Los Alamos National Bank	-	-	-	200,000	-	200,000
Santa Fe							
(WFB)	Century Bank	1,099,726	250,000	424,863	-	500,000	75,137
(WFB)	First National Bank	213,469	213,469	-	-	603,257	603,257
FISCAL AGENT BANK:							
(BA)	Bank of America	<u>143,229,755</u>	<u>143,229,755</u>	<u>-</u>	<u>-</u>	<u>64,733,800</u>	<u>64,733,800</u>
SUBTOTAL		<u>145,271,933</u>	<u>144,197,547</u>	<u>649,523</u>	<u>200,000</u>	<u>66,291,654</u>	<u>65,842,131</u>
TOTAL		<u>\$ 538,489,099</u>	<u>153,713,293</u>	<u>314,935,927</u>	<u>63,200,000</u>	<u>377,692,555</u>	<u>125,956,628</u>
Reconciliation to Note 3:							
	Fiscal Agent Account	\$ 143,229,755	143,229,755	-	-	64,733,800	64,733,800
	Certificates of Deposit	<u>204,100,000</u>	<u>3,022,505</u>	<u>142,663,850</u>	<u>63,000,000</u>	<u>100,338,114</u>	<u>20,674,264</u>
		347,329,755	146,252,260	142,663,850	63,000,000	165,071,914	85,408,064
Add:							
	Agency Deposits	189,117,166	6,493,241	171,622,554	-	211,062,787	39,440,233
	Ancillary Receivership Accounts	<u>2,042,178</u>	<u>967,792</u>	<u>649,523</u>	<u>200,000</u>	<u>1,557,854</u>	<u>1,108,331</u>
		<u>191,159,344</u>	<u>7,461,033</u>	<u>172,272,077</u>	<u>200,000</u>	<u>212,620,641</u>	<u>40,548,564</u>
		<u>\$ 538,489,099</u>	<u>153,713,293</u>	<u>314,935,927</u>	<u>63,200,000</u>	<u>377,692,555</u>	<u>125,956,628</u>
Custodial Banks:							
(BA)	Bank of America						
(FHLB)	Fed. Home Loan Bank Dallas						
(WFB)	Wells Fargo Bank						
(IIB)	The Independent Bankers Bank						

Details of the collateral pledged are on file with the Office of the State Treasurer.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 21,193,403	21,829,205	21,846,125	FNMA	31402RF87	16,920
Northern Trust	Chicago, IL	98,908,097	100,886,259	100,964,457	FHLB	3133XSSC3	78,198
Northern Trust	Chicago, IL	210,224,295	216,531,024	216,698,859	FNMA	3128M6T57	167,835
Northern Trust	Chicago, IL	18,404,617	18,956,756	18,971,449	FNMA	31410F6E0	14,693
Northern Trust	Chicago, IL	338,734	348,896	349,167	FNMA	31417YEL7	271
Northern Trust	Chicago, IL	504,607	519,745	520,149	FNMA	31417YD61	404
Northern Trust	Chicago, IL	425,547	438,313	438,653	FNMA	31417YDM6	340
Northern Trust	Chicago, IL	445,688	459,059	459,414	FNMA	31416TRV3	355
Northern Trust	Chicago, IL	488,392	503,044	503,434	FNMA	31416SQE4	390
Northern Trust	Chicago, IL	367,537	378,563	378,856	FNMA	31416SW64	293
Northern Trust	Chicago, IL	536,057	552,139	552,567	FNMA	31416R7F4	428
Northern Trust	Chicago, IL	591,951	609,710	610,182	FNMA	31416RXA6	472
Northern Trust	Chicago, IL	510,351	525,662	526,069	FNMA	31416QLZ6	407
Northern Trust	Chicago, IL	340,543	350,759	351,031	FNMA	31416Q2K0	272
Northern Trust	Chicago, IL	499,040	514,011	514,410	FNMA	31416QM36	399
Northern Trust	Chicago, IL	627,564	646,391	646,892	FNMA	31416QJ97	501
Northern Trust	Chicago, IL	396,250	408,138	408,454	FNMA	31416QG58	316
Northern Trust	Chicago, IL	437,197	450,313	450,662	FNMA	31416P4P9	349
Northern Trust	Chicago, IL	357,548	368,274	368,560	FNMA	31416NWB4	286
Northern Trust	Chicago, IL	333,467	343,471	343,737	FNMA	31416LBR6	266
Northern Trust	Chicago, IL	515,175	530,630	531,041	FNMA	31416L3V6	411
Northern Trust	Chicago, IL	604,463	622,597	623,080	FNMA	31416LL46	483
Northern Trust	Chicago, IL	563,604	580,512	580,962	FNMA	31416K5E4	450
Northern Trust	Chicago, IL	357,382	368,103	368,389	FNMA	31416KG93	286
Northern Trust	Chicago, IL	375,020	386,271	386,570	FNMA	31416KV62	299
Northern Trust	Chicago, IL	346,717	357,119	357,396	FNMA	31416JK26	277
Northern Trust	Chicago, IL	583,871	601,387	601,853	FNMA	31416JMJ7	466
Northern Trust	Chicago, IL	468,031	482,072	482,445	FNMA	31416JFT3	373
Northern Trust	Chicago, IL	372,544	383,720	384,017	FNMA	31416JFV8	297
Northern Trust	Chicago, IL	386,884	398,491	398,799	FNMA	31416JXZ9	308
Northern Trust	Chicago, IL	308,866	318,132	318,379	FNMA	31416J4V0	247
Northern Trust	Chicago, IL	624,536	643,272	643,770	FNMA	31416JXK2	498
Northern Trust	Chicago, IL	382,093	393,556	393,861	FNMA	31416CKH8	305
Northern Trust	Chicago, IL	467,236	481,253	481,626	FNMA	31416BMX3	373
Northern Trust	Chicago, IL	518,315	533,864	534,278	FNMA	31416BLC0	414
Northern Trust	Chicago, IL	572,222	589,389	589,845	FNMA	31416BLD8	456
Northern Trust	Chicago, IL	584,265	601,793	602,259	FNMA	31416ANU0	466
Northern Trust	Chicago, IL	383,855	395,371	395,677	FNMA	31415YD22	306
Northern Trust	Chicago, IL	306,550	315,747	315,991	FNMA	31415YMV8	244
Northern Trust	Chicago, IL	515,665	531,135	531,547	FNMA	31415YP86	412
Northern Trust	Chicago, IL	586,036	603,617	604,085	FNMA	31415YDH9	468
Northern Trust	Chicago, IL	438,373	451,524	451,874	FNMA	31415XAE1	350
Northern Trust	Chicago, IL	477,966	492,305	492,687	FNMA	31415XXN6	382
Northern Trust	Chicago, IL	421,155	433,790	434,126	FNMA	31415VUM5	336
Northern Trust	Chicago, IL	447,216	460,632	460,989	FNMA	31415VCK9	357
Northern Trust	Chicago, IL	418,689	431,250	431,584	FNMA	31415VXR1	334
Northern Trust	Chicago, IL	504,802	519,946	520,349	FNMA	31415TIS7	403
Northern Trust	Chicago, IL	464,224	478,151	478,521	FNMA	31415TFV9	370
Northern Trust	Chicago, IL	420,692	433,313	433,648	FNMA	31415SRP9	335
Northern Trust	Chicago, IL	415,472	427,936	428,268	FNMA	31415SZY1	332
Northern Trust	Chicago, IL	341,532	351,778	352,051	FNMA	31415S2S0	273
Northern Trust	Chicago, IL	463,797	477,711	478,082	FNMA	31415R3S1	371
Northern Trust	Chicago, IL	90,877	93,603	93,675	FNMA	31415RSY1	72
Northern Trust	Chicago, IL	439,928	453,126	453,477	FNMA	31415RFY5	351
Northern Trust	Chicago, IL	534,010	550,030	550,456	FNMA	31415RXW9	426
Northern Trust	Chicago, IL	455,449	469,112	469,476	FNMA	31415QPT7	364
Northern Trust	Chicago, IL	485,841	500,416	500,805	FNMA	31415QTA4	389

STATE OF NEW MEXICO
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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 313,438	322,841	323,091	FNMA	31415QWM4	250
Northern Trust	Chicago, IL	322,497	332,172	332,429	FNMA	31415PYM4	257
Northern Trust	Chicago, IL	400,428	412,441	412,760	FNMA	31415MUZ6	319
Northern Trust	Chicago, IL	519,030	534,601	535,015	FNMA	31415MT70	414
Northern Trust	Chicago, IL	390,299	402,008	402,320	FNMA	31415CBE6	312
Northern Trust	Chicago, IL	476,420	490,713	491,093	FNMA	31415CAH0	380
Northern Trust	Chicago, IL	594,468	612,302	612,777	FNMA	31415CLL9	475
Northern Trust	Chicago, IL	328,136	337,980	338,243	FNMA	31415BW54	263
Northern Trust	Chicago, IL	498,119	513,063	513,460	FNMA	31415A5E7	397
Northern Trust	Chicago, IL	426,887	439,694	440,034	FNMA	31415A5L1	340
Northern Trust	Chicago, IL	470,741	484,863	485,239	FNMA	31415A5W7	376
Northern Trust	Chicago, IL	552,775	569,358	569,799	FNMA	31415AL58	441
Northern Trust	Chicago, IL	300,518	309,534	309,773	FNMA	31414UAN8	239
Northern Trust	Chicago, IL	358,739	369,501	369,787	FNMA	31414UP77	286
Northern Trust	Chicago, IL	352,366	362,937	363,219	FNMA	31414UNZ7	282
Northern Trust	Chicago, IL	387,077	398,689	398,999	FNMA	31414URC4	310
Northern Trust	Chicago, IL	563,720	580,632	581,082	FNMA	31414TMU2	450
Northern Trust	Chicago, IL	327,983	337,822	338,085	FNMA	31414SB44	263
Northern Trust	Chicago, IL	540,431	556,644	557,075	FNMA	31414SBA0	431
Northern Trust	Chicago, IL	522,110	537,773	538,190	FNMA	31414SBB8	417
Northern Trust	Chicago, IL	623,632	642,341	642,839	FNMA	31414RMJ1	498
Northern Trust	Chicago, IL	428,217	441,064	441,405	FNMA	31414Q5X6	341
Northern Trust	Chicago, IL	477,385	491,707	492,088	FNMA	31414QHE0	381
Northern Trust	Chicago, IL	551,676	568,226	568,667	FNMA	31414QFB8	441
Northern Trust	Chicago, IL	376,302	387,591	387,891	FNMA	31414QLZ8	300
Northern Trust	Chicago, IL	600,544	618,560	619,040	FNMA	31414PTE9	480
Northern Trust	Chicago, IL	340,669	350,889	351,161	FNMA	31414PGG8	272
Northern Trust	Chicago, IL	423,969	436,688	437,026	FNMA	31414PYA1	338
Northern Trust	Chicago, IL	443,415	456,717	457,072	FNMA	31414PUW7	355
Northern Trust	Chicago, IL	456,458	470,152	470,516	FNMA	31414N7D0	364
Northern Trust	Chicago, IL	552,335	568,905	569,346	FNMA	31414M6S0	441
Northern Trust	Chicago, IL	596,923	614,831	615,307	FNMA	31414M5G7	476
Northern Trust	Chicago, IL	384,144	395,668	395,975	FNMA	31414MWH5	307
Northern Trust	Chicago, IL	301,900	310,957	311,198	FNMA	31414MEC6	241
Northern Trust	Chicago, IL	504,641	519,780	520,183	FNMA	31414LDB1	403
Northern Trust	Chicago, IL	556,939	573,647	574,092	FNMA	31414LB72	445
Northern Trust	Chicago, IL	482,091	496,554	496,939	FNMA	31414LX94	385
Northern Trust	Chicago, IL	315,131	324,585	324,837	FNMA	31414LT32	252
Northern Trust	Chicago, IL	510,493	525,808	526,216	FNMA	31414KCU2	408
Northern Trust	Chicago, IL	309,372	318,653	318,900	FNMA	31414J6B4	247
Northern Trust	Chicago, IL	444,751	458,094	458,448	FNMA	31414J6W8	354
Northern Trust	Chicago, IL	300,070	309,072	309,312	FNMA	31414JJU8	240
Northern Trust	Chicago, IL	412,614	424,992	425,322	FNMA	31414JKN2	330
Northern Trust	Chicago, IL	389,169	400,844	401,155	FNMA	31414HBF3	311
Northern Trust	Chicago, IL	406,297	418,486	418,810	FNMA	31414HPK7	324
Northern Trust	Chicago, IL	494,263	509,091	509,485	FNMA	31414HIP92	394
Northern Trust	Chicago, IL	347,461	357,885	358,162	FNMA	31414GDN6	277
Northern Trust	Chicago, IL	587,477	605,101	605,571	FNMA	31414GUD9	470
Northern Trust	Chicago, IL	411,545	423,891	424,220	FNMA	31414GC80	329
Northern Trust	Chicago, IL	451,037	464,568	464,929	FNMA	31414GK99	361
Northern Trust	Chicago, IL	601,658	619,708	620,188	FNMA	31414GTS8	480
Northern Trust	Chicago, IL	627,793	646,627	647,128	FNMA	31414FE98	501
Northern Trust	Chicago, IL	306,578	315,775	316,020	FNMA	31414FAU5	245
Northern Trust	Chicago, IL	371,234	382,371	382,667	FNMA	31414DPC4	296
Northern Trust	Chicago, IL	498,123	513,067	513,464	FNMA	31414CFW3	397
Northern Trust	Chicago, IL	481,505	495,950	496,334	FNMA	31414CQX9	384
Northern Trust	Chicago, IL	435,713	448,784	449,132	FNMA	31414B4A5	348

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 441,133	454,367	454,719	FNMA	31414BWV8	352
Northern Trust	Chicago, IL	474,115	488,338	488,717	FNMA	31414BYD6	379
Northern Trust	Chicago, IL	302,138	311,202	311,443	FNMA	31414AKT8	241
Northern Trust	Chicago, IL	382,573	394,050	394,356	FNMA	31414AP22	306
Northern Trust	Chicago, IL	518,337	533,887	534,301	FNMA	31414ADV1	414
Northern Trust	Chicago, IL	455,559	469,226	469,590	FNMA	31414AGU0	364
Northern Trust	Chicago, IL	393,989	405,809	406,123	FNMA	31413YKD2	314
Northern Trust	Chicago, IL	442,106	455,369	455,722	FNMA	31413Y2B6	353
Northern Trust	Chicago, IL	497,363	512,284	512,681	FNMA	31413YV40	397
Northern Trust	Chicago, IL	571,906	589,063	589,520	FNMA	31413YED9	457
Northern Trust	Chicago, IL	445,632	454,545	454,897	FNMA	31413VBY2	352
Northern Trust	Chicago, IL	370,533	381,649	381,945	FNMA	31413VCV7	296
Northern Trust	Chicago, IL	546,126	562,510	562,946	FNMA	31413UG37	436
Northern Trust	Chicago, IL	418,234	430,781	431,115	FNMA	31413UUY3	334
Northern Trust	Chicago, IL	543,979	560,298	560,732	FNMA	31413UVK2	434
Northern Trust	Chicago, IL	563,961	580,880	581,330	FNMA	31413T4G4	450
Northern Trust	Chicago, IL	358,293	369,042	369,328	FNMA	31413TKS0	286
Northern Trust	Chicago, IL	456,522	470,218	470,582	FNMA	31413TTR3	364
Northern Trust	Chicago, IL	361,978	372,837	373,126	FNMA	31413SBI7	289
Northern Trust	Chicago, IL	573,164	584,627	585,081	FNMA	31413SS62	454
Northern Trust	Chicago, IL	316,180	325,665	325,917	FNMA	31413RNP7	252
Northern Trust	Chicago, IL	367,078	378,090	378,383	FNMA	31413RBP0	293
Northern Trust	Chicago, IL	598,255	616,203	616,680	FNMA	31413R3W4	477
Northern Trust	Chicago, IL	476,105	490,388	490,768	FNMA	31413QXT0	380
Northern Trust	Chicago, IL	433,213	446,209	446,556	FNMA	31413NDE2	347
Northern Trust	Chicago, IL	499,260	514,238	514,636	FNMA	31413MBQ9	398
Northern Trust	Chicago, IL	353,231	363,828	364,110	FNMA	31413MMT1	282
Northern Trust	Chicago, IL	407,751	419,984	420,309	FNMA	31413MH75	325
Northern Trust	Chicago, IL	318,336	327,886	328,140	FNMA	31413LAC2	254
Northern Trust	Chicago, IL	321,739	331,391	331,648	FNMA	31413LNK1	257
Northern Trust	Chicago, IL	566,628	583,627	584,079	FNMA	31413LNW5	452
Northern Trust	Chicago, IL	517,833	533,368	533,781	FNMA	31413KUP4	413
Northern Trust	Chicago, IL	465,922	479,900	480,272	FNMA	31413JVW1	372
Northern Trust	Chicago, IL	629,689	648,580	649,083	FNMA	31413J6D1	503
Northern Trust	Chicago, IL	505,838	521,013	521,417	FNMA	31413HE61	404
Northern Trust	Chicago, IL	508,271	523,519	523,925	FNMA	31413HFQ6	406
Northern Trust	Chicago, IL	308,581	317,838	318,085	FNMA	31413HER5	247
Northern Trust	Chicago, IL	452,456	466,030	466,391	FNMA	31413G6D7	361
Northern Trust	Chicago, IL	547,360	563,781	564,218	FNMA	31413GA59	437
Northern Trust	Chicago, IL	579,588	596,976	597,439	FNMA	31413GGE4	463
Northern Trust	Chicago, IL	372,327	383,497	383,794	FNMA	31413GGG9	297
Northern Trust	Chicago, IL	469,517	483,603	483,977	FNMA	31413GJC5	374
Northern Trust	Chicago, IL	357,607	368,335	368,621	FNMA	31413GKT6	286
Northern Trust	Chicago, IL	504,234	519,361	519,763	FNMA	31413F4V1	402
Northern Trust	Chicago, IL	333,207	343,203	343,469	FNMA	31413FRU8	266
Northern Trust	Chicago, IL	494,511	509,346	509,742	FNMA	31413FX49	396
Northern Trust	Chicago, IL	330,945	340,873	341,138	FNMA	31413EZB4	265
Northern Trust	Chicago, IL	428,095	440,938	441,280	FNMA	31413E5G6	342
Northern Trust	Chicago, IL	546,392	562,784	563,220	FNMA	31413ECX1	436
Northern Trust	Chicago, IL	622,709	641,390	641,887	FNMA	31413EY66	497
Northern Trust	Chicago, IL	417,421	429,944	430,277	FNMA	31413ECF0	333
Northern Trust	Chicago, IL	543,018	559,309	559,742	FNMA	31413ERS6	433
Northern Trust	Chicago, IL	370,199	381,305	381,600	FNMA	31413ESD8	295
Northern Trust	Chicago, IL	526,637	542,436	542,857	FNMA	31413ESPI	421
Northern Trust	Chicago, IL	333,613	343,621	343,887	FNMA	31413DZM2	266
Northern Trust	Chicago, IL	558,163	574,908	575,354	FNMA	31413DFHW0	446
Northern Trust	Chicago, IL	387,140	398,754	399,063	FNMA	31413CYG8	309

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 488,835	503,500	503,890	FNMA	31413CZT9	390
Northern Trust	Chicago, IL	410,276	422,584	422,912	FNMA	31413CXU8	328
Northern Trust	Chicago, IL	315,888	325,365	325,617	FNMA	31413CQP7	252
Northern Trust	Chicago, IL	533,032	549,023	549,449	FNMA	31413B2I.4	426
Northern Trust	Chicago, IL	602,448	620,521	621,002	FNMA	31413BSF.2	481
Northern Trust	Chicago, IL	306,392	315,584	315,828	FNMA	31413BQD.6	244
Northern Trust	Chicago, IL	607,417	625,640	626,124	FNMA	31413BKX.8	484
Northern Trust	Chicago, IL	441,265	454,503	454,855	FNMA	31413B3I.3	352
Northern Trust	Chicago, IL	456,698	470,399	470,764	FNMA	31413BDA.6	365
Northern Trust	Chicago, IL	404,210	416,336	416,659	FNMA	31413BG5.4	323
Northern Trust	Chicago, IL	305,427	314,590	314,834	FNMA	31413ANS.8	244
Northern Trust	Chicago, IL	339,339	349,519	349,790	FNMA	31413AD2.6	271
Northern Trust	Chicago, IL	498,968	513,937	514,336	FNMA	31413AD7.5	399
Northern Trust	Chicago, IL	444,804	458,148	458,503	FNMA	31413AG4.9	355
Northern Trust	Chicago, IL	364,014	374,934	375,225	FNMA	31413AXN.8	291
Northern Trust	Chicago, IL	531,383	547,324	547,749	FNMA	31412YCA.8	425
Northern Trust	Chicago, IL	425,410	438,172	438,512	FNMA	31412YCF.7	340
Northern Trust	Chicago, IL	90,687	93,408	93,480	FNMA	31412YFK.3	72
Northern Trust	Chicago, IL	340,536	350,752	351,024	FNMA	31412YQ7.0	272
Northern Trust	Chicago, IL	520,752	536,375	536,791	FNMA	31412XS3.9	416
Northern Trust	Chicago, IL	465,397	479,359	479,730	FNMA	31412XS8.8	371
Northern Trust	Chicago, IL	610,516	628,831	629,319	FNMA	31412XFG.4	488
Northern Trust	Chicago, IL	602,177	620,242	620,723	FNMA	31412XG6.5	481
Northern Trust	Chicago, IL	545,911	562,288	562,724	FNMA	31412XH6.4	436
Northern Trust	Chicago, IL	396,592	408,490	408,806	FNMA	31412XLC.6	316
Northern Trust	Chicago, IL	371,973	383,132	383,429	FNMA	31412XNQ.3	297
Northern Trust	Chicago, IL	394,448	406,281	406,596	FNMA	31412WKR.6	315
Northern Trust	Chicago, IL	381,923	393,381	393,685	FNMA	31412WHZ.2	304
Northern Trust	Chicago, IL	388,808	400,472	400,783	FNMA	31412WQY.5	311
Northern Trust	Chicago, IL	504,614	519,752	520,155	FNMA	31412WXM.3	403
Northern Trust	Chicago, IL	516,247	531,734	532,147	FNMA	31412WXM.3	413
Northern Trust	Chicago, IL	533,719	549,731	550,157	FNMA	31412WWZ.5	426
Northern Trust	Chicago, IL	307,730	316,962	317,207	FNMA	31412V2B.3	245
Northern Trust	Chicago, IL	623,837	642,552	643,050	FNMA	31412V3C.0	498
Northern Trust	Chicago, IL	629,952	648,851	649,353	FNMA	31412VZ3.5	502
Northern Trust	Chicago, IL	616,562	635,059	635,552	FNMA	31412VRS.9	493
Northern Trust	Chicago, IL	532,149	548,113	548,539	FNMA	31412VQZ.4	426
Northern Trust	Chicago, IL	413,000	425,390	425,720	FNMA	31412T2G.7	330
Northern Trust	Chicago, IL	391,198	402,934	403,246	FNMA	31412TZ.30	312
Northern Trust	Chicago, IL	303,659	312,769	313,011	FNMA	31412TG.98	242
Northern Trust	Chicago, IL	507,782	523,015	523,421	FNMA	31412PWL.3	406
Northern Trust	Chicago, IL	501,045	516,076	516,476	FNMA	31412PMW.8	400
Northern Trust	Chicago, IL	447,184	460,600	460,957	FNMA	31412PNZ.0	357
Northern Trust	Chicago, IL	401,817	413,872	414,192	FNMA	31412PJR.3	320
Northern Trust	Chicago, IL	523,288	538,987	539,404	FNMA	31412PCD.1	417
Northern Trust	Chicago, IL	383,743	391,418	391,722	FNMA	31412PCA.7	304
Northern Trust	Chicago, IL	633,245	645,910	646,411	FNMA	31412PEI.1	501
Northern Trust	Chicago, IL	494,510	509,345	509,740	FNMA	31412NIF.8	395
Northern Trust	Chicago, IL	369,171	380,246	380,540	FNMA	31412NAP.1	294
Northern Trust	Chicago, IL	347,017	357,428	357,704	FNMA	31412N4T.0	276
Northern Trust	Chicago, IL	313,679	323,089	323,340	FNMA	31412MYC.6	251
Northern Trust	Chicago, IL	558,171	569,334	569,776	FNMA	31412MVS.4	442
Northern Trust	Chicago, IL	601,005	619,035	619,515	FNMA	31412MUG.1	480
Northern Trust	Chicago, IL	491,988	501,828	502,216	FNMA	31412MRL.4	388
Northern Trust	Chicago, IL	313,192	322,588	322,838	FNMA	31412MJ.90	250
Northern Trust	Chicago, IL	512,619	522,871	523,276	FNMA	31412NMR.6	405
Northern Trust	Chicago, IL	429,212	442,088	442,431	FNMA	31412L6G.0	343

STATE OF NEW MEXICO
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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 578,947	596,315	596,777	FNMA	31412L7J3	462
Northern Trust	Chicago, IL	509,027	524,298	524,704	FNMA	31412L7Q7	406
Northern Trust	Chicago, IL	328,134	337,978	338,240	FNMA	31412LVF4	262
Northern Trust	Chicago, IL	536,255	552,343	552,770	FNMA	31412LRA0	427
Northern Trust	Chicago, IL	362,618	373,497	373,786	FNMA	31412LNL0	289
Northern Trust	Chicago, IL	316,718	326,220	326,473	FNMA	31412LNC0	253
Northern Trust	Chicago, IL	432,839	445,824	446,170	FNMA	31412LH78	346
Northern Trust	Chicago, IL	448,763	462,226	462,584	FNMA	31412LLU2	358
Northern Trust	Chicago, IL	474,094	488,317	488,696	FNMA	31412LEG1	379
Northern Trust	Chicago, IL	501,712	516,763	517,164	FNMA	31412LED8	401
Northern Trust	Chicago, IL	481,677	496,127	496,512	FNMA	31412LJS0	385
Northern Trust	Chicago, IL	600,340	618,350	618,829	FNMA	31412LDG2	479
Northern Trust	Chicago, IL	595,598	613,466	613,942	FNMA	31412LDH0	476
Northern Trust	Chicago, IL	469,447	483,530	483,905	FNMA	31412H2U2	375
Northern Trust	Chicago, IL	617,072	635,584	636,077	FNMA	31412GV57	493
Northern Trust	Chicago, IL	299,720	308,712	308,951	FNMA	31412GYS4	239
Northern Trust	Chicago, IL	561,099	577,932	578,380	FNMA	31412FJS3	448
Northern Trust	Chicago, IL	614,981	633,430	633,922	FNMA	31412EFQ4	492
Northern Trust	Chicago, IL	469,628	483,717	484,092	FNMA	31412DLU0	375
Northern Trust	Chicago, IL	346,120	356,504	356,780	FNMA	31412BEU2	276
Northern Trust	Chicago, IL	336,548	346,644	346,913	FNMA	31412BR20	269
Northern Trust	Chicago, IL	568,489	585,544	585,998	FNMA	31412B3A8	454
Northern Trust	Chicago, IL	302,545	311,621	311,863	FNMA	31412BZ21	242
Northern Trust	Chicago, IL	350,166	360,671	360,950	FNMA	31412B4F6	279
Northern Trust	Chicago, IL	337,787	347,921	348,190	FNMA	31412AV76	269
Northern Trust	Chicago, IL	435,598	448,666	449,014	FNMA	31412AVG6	348
Northern Trust	Chicago, IL	357,989	368,729	369,015	FNMA	31412AT38	286
Northern Trust	Chicago, IL	556,204	572,890	573,334	FNMA	31412ATY0	444
Northern Trust	Chicago, IL	565,563	582,530	582,982	FNMA	31412AJJ4	452
Northern Trust	Chicago, IL	381,784	393,238	393,543	FNMA	31412AJU9	305
Northern Trust	Chicago, IL	298,823	307,788	308,026	FNMA	31411YSC8	238
Northern Trust	Chicago, IL	457,688	471,419	471,784	FNMA	31411YAC7	365
Northern Trust	Chicago, IL	302,117	311,181	311,422	FNMA	31411YME0	241
Northern Trust	Chicago, IL	504,235	519,362	519,764	FNMA	31411XAZ8	402
Northern Trust	Chicago, IL	623,225	641,922	642,419	FNMA	31411W5X1	497
Northern Trust	Chicago, IL	360,733	371,555	371,843	FNMA	31411W3W5	288
Northern Trust	Chicago, IL	503,967	519,086	519,489	FNMA	31411WEP8	403
Northern Trust	Chicago, IL	445,293	458,652	459,008	FNMA	31411W3E5	356
Northern Trust	Chicago, IL	499,927	514,925	515,324	FNMA	31411WXd4	399
Northern Trust	Chicago, IL	606,262	624,450	624,934	FNMA	31411WYW1	484
Northern Trust	Chicago, IL	386,312	397,901	398,209	FNMA	31411VUY3	308
Northern Trust	Chicago, IL	599,798	617,792	618,271	FNMA	31411UFG1	479
Northern Trust	Chicago, IL	520,306	535,915	536,331	FNMA	31411UPJ4	416
Northern Trust	Chicago, IL	551,635	568,184	568,625	FNMA	31411UWK3	441
Northern Trust	Chicago, IL	311,232	320,569	320,817	FNMA	31411UDV0	248
Northern Trust	Chicago, IL	404,666	416,806	417,129	FNMA	31411UE72	323
Northern Trust	Chicago, IL	480,351	494,762	495,145	FNMA	31411S7J9	383
Northern Trust	Chicago, IL	337,063	347,175	347,444	FNMA	31411SNV4	269
Northern Trust	Chicago, IL	475,050	489,302	489,680	FNMA	31411RWC8	378
Northern Trust	Chicago, IL	460,444	474,257	474,625	FNMA	31411RAM0	368
Northern Trust	Chicago, IL	429,409	442,291	442,634	FNMA	31411N6B8	343
Northern Trust	Chicago, IL	499,878	514,874	515,274	FNMA	31411NQM2	400
Northern Trust	Chicago, IL	410,044	422,345	422,673	FNMA	31411NEB9	328
Northern Trust	Chicago, IL	386,063	397,645	397,953	FNMA	31411NYS0	308
Northern Trust	Chicago, IL	560,814	577,638	578,086	FNMA	31411NZU4	448
Northern Trust	Chicago, IL	423,927	436,645	436,984	FNMA	31411L5E7	339
Northern Trust	Chicago, IL	570,025	587,126	587,581	FNMA	31411LEM9	455

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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 361,045	371,876	372,165	FNMA	31411LSF9	289
Northern Trust	Chicago, IL	390,054	401,756	402,067	FNMA	31411LRH6	311
Northern Trust	Chicago, IL	438,840	452,005	452,355	FNMA	31411LL66	350
Northern Trust	Chicago, IL	483,334	497,834	498,220	FNMA	31411KXY4	386
Northern Trust	Chicago, IL	515,785	531,259	531,671	FNMA	31411JMB9	412
Northern Trust	Chicago, IL	360,961	371,790	372,078	FNMA	31411HX88	288
Northern Trust	Chicago, IL	520,106	535,709	536,125	FNMA	31411HXY1	416
Northern Trust	Chicago, IL	557,462	574,186	574,631	FNMA	31411HPD6	445
Northern Trust	Chicago, IL	511,768	527,121	527,529	FNMA	31411HRD4	408
Northern Trust	Chicago, IL	360,829	371,654	371,942	FNMA	31411HRE2	288
Northern Trust	Chicago, IL	396,272	408,160	408,476	FNMA	31411HSE1	316
Northern Trust	Chicago, IL	339,783	349,976	350,248	FNMA	31411GGY2	272
Northern Trust	Chicago, IL	469,375	483,456	483,831	FNMA	31411G7F3	375
Northern Trust	Chicago, IL	446,774	460,177	460,534	FNMA	31411GVB5	357
Northern Trust	Chicago, IL	408,759	421,022	421,348	FNMA	31411G4E9	326
Northern Trust	Chicago, IL	561,220	578,057	578,504	FNMA	31411FGR9	447
Northern Trust	Chicago, IL	463,090	476,983	477,352	FNMA	31411FRA4	369
Northern Trust	Chicago, IL	382,102	393,565	393,870	FNMA	31411EEV5	305
Northern Trust	Chicago, IL	604,689	622,830	623,313	FNMA	31411EKT3	483
Northern Trust	Chicago, IL	305,392	314,554	314,798	FNMA	31411EWS2	244
Northern Trust	Chicago, IL	463,651	477,561	477,930	FNMA	31411ESC7	369
Northern Trust	Chicago, IL	330,366	340,277	340,541	FNMA	31411DQ85	264
Northern Trust	Chicago, IL	564,642	581,581	582,032	FNMA	31411DQK8	451
Northern Trust	Chicago, IL	333,936	343,954	344,221	FNMA	31411DRM3	267
Northern Trust	Chicago, IL	493,261	508,059	508,453	FNMA	31411DJN0	394
Northern Trust	Chicago, IL	607,377	625,598	626,083	FNMA	31411CGX3	485
Northern Trust	Chicago, IL	611,046	629,377	629,865	FNMA	31411CMC2	488
Northern Trust	Chicago, IL	331,787	341,741	342,005	FNMA	31411CUZ2	264
Northern Trust	Chicago, IL	364,118	375,042	375,332	FNMA	31411CCF6	290
Northern Trust	Chicago, IL	312,737	322,119	322,369	FNMA	31411CHN4	250
Northern Trust	Chicago, IL	590,218	607,925	608,396	FNMA	31411APZ2	471
Northern Trust	Chicago, IL	596,447	614,340	614,817	FNMA	31411A2D6	477
Northern Trust	Chicago, IL	443,691	457,002	457,355	FNMA	31411ASW6	353
Northern Trust	Chicago, IL	567,778	584,811	585,265	FNMA	31411AVG7	454
Northern Trust	Chicago, IL	511,648	526,997	527,406	FNMA	31411AH24	409
Northern Trust	Chicago, IL	579,214	596,590	597,052	FNMA	31410YQ49	462
Northern Trust	Chicago, IL	590,971	608,700	609,172	FNMA	31410YSZ3	472
Northern Trust	Chicago, IL	331,946	341,904	342,170	FNMA	31410YZG2	266
Northern Trust	Chicago, IL	536,444	552,537	552,966	FNMA	31410YC88	429
Northern Trust	Chicago, IL	422,200	434,866	435,204	FNMA	31410X2S4	338
Northern Trust	Chicago, IL	299,756	308,749	308,988	FNMA	31410XA71	239
Northern Trust	Chicago, IL	386,890	398,497	398,806	FNMA	31410XQM1	309
Northern Trust	Chicago, IL	384,474	396,008	396,315	FNMA	31410X2F2	307
Northern Trust	Chicago, IL	299,038	308,009	308,248	FNMA	31410W2J6	239
Northern Trust	Chicago, IL	451,545	465,091	465,452	FNMA	31410WMY1	361
Northern Trust	Chicago, IL	458,019	471,760	472,125	FNMA	31410WNA2	365
Northern Trust	Chicago, IL	459,635	473,424	473,791	FNMA	31410WPK0	367
Northern Trust	Chicago, IL	375,919	387,197	387,497	FNMA	31410WS82	300
Northern Trust	Chicago, IL	353,829	364,444	364,727	FNMA	31410WL71	283
Northern Trust	Chicago, IL	318,561	328,118	328,372	FNMA	31410WHX9	254
Northern Trust	Chicago, IL	390,916	402,643	402,956	FNMA	31410WJ33	313
Northern Trust	Chicago, IL	376,469	387,763	388,063	FNMA	31410WJR0	300
Northern Trust	Chicago, IL	393,052	404,844	405,157	FNMA	31410WGP7	313
Northern Trust	Chicago, IL	465,928	479,906	480,278	FNMA	31410WGF5	372
Northern Trust	Chicago, IL	457,923	471,661	472,026	FNMA	31410WBD9	365
Northern Trust	Chicago, IL	347,201	357,617	357,895	FNMA	31410WBM9	278
Northern Trust	Chicago, IL	490,577	505,294	505,685	FNMA	31410WBU1	391

See Independent Auditors' Report.

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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 306,522	315,718	315,963	FNMA	31410VVD9	245
Northern Trust	Chicago, IL	566,565	583,562	584,015	FNMA	31410V2M1	453
Northern Trust	Chicago, IL	393,729	405,541	405,855	FNMA	31410UDG4	314
Northern Trust	Chicago, IL	342,663	352,943	353,216	FNMA	31410UC42	273
Northern Trust	Chicago, IL	480,670	495,090	495,473	FNMA	31410UTF9	383
Northern Trust	Chicago, IL	567,319	584,339	584,791	FNMA	31410UYA4	452
Northern Trust	Chicago, IL	315,437	324,900	325,152	FNMA	31410UZD7	252
Northern Trust	Chicago, IL	480,439	494,852	495,235	FNMA	31410UGY2	383
Northern Trust	Chicago, IL	411,673	424,023	424,351	FNMA	31410TBK0	328
Northern Trust	Chicago, IL	157,937	162,675	162,801	FNMA	31410TR56	126
Northern Trust	Chicago, IL	437,603	450,731	451,080	FNMA	31410TC78	349
Northern Trust	Chicago, IL	301,886	310,943	311,184	FNMA	31410TDJ1	241
Northern Trust	Chicago, IL	424,710	437,451	437,790	FNMA	31410TCF0	339
Northern Trust	Chicago, IL	480,326	494,736	495,120	FNMA	31410TCK9	384
Northern Trust	Chicago, IL	562,577	579,454	579,904	FNMA	31410SZY6	450
Northern Trust	Chicago, IL	327,918	337,756	338,017	FNMA	31410STF8	261
Northern Trust	Chicago, IL	558,914	575,681	576,127	FNMA	31410SPC5	446
Northern Trust	Chicago, IL	536,804	552,908	553,337	FNMA	31410RQR3	429
Northern Trust	Chicago, IL	369,265	380,343	380,638	FNMA	31410RQU6	295
Northern Trust	Chicago, IL	598,965	616,934	617,412	FNMA	31410REF2	478
Northern Trust	Chicago, IL	589,037	606,708	607,178	FNMA	31410RJT7	470
Northern Trust	Chicago, IL	355,660	366,330	366,614	FNMA	31410RVR7	284
Northern Trust	Chicago, IL	491,416	506,158	506,550	FNMA	31410RTP4	392
Northern Trust	Chicago, IL	626,386	645,178	645,677	FNMA	31410QLJ8	499
Northern Trust	Chicago, IL	363,549	374,455	374,745	FNMA	31410QWY3	290
Northern Trust	Chicago, IL	476,028	490,309	490,689	FNMA	31410QV8	380
Northern Trust	Chicago, IL	462,386	476,258	476,626	FNMA	31410PB44	368
Northern Trust	Chicago, IL	403,943	416,061	416,384	FNMA	31410PQF3	323
Northern Trust	Chicago, IL	593,468	611,272	611,746	FNMA	31410PU92	474
Northern Trust	Chicago, IL	369,386	380,468	380,763	FNMA	31410PBE2	295
Northern Trust	Chicago, IL	363,550	374,457	374,747	FNMA	31410PNQ2	290
Northern Trust	Chicago, IL	309,677	318,967	319,215	FNMA	31410PNT6	248
Northern Trust	Chicago, IL	313,083	322,475	322,726	FNMA	31410PPL1	251
Northern Trust	Chicago, IL	367,264	378,282	378,575	FNMA	31410NSU3	293
Northern Trust	Chicago, IL	324,434	334,167	334,426	FNMA	31410NR83	259
Northern Trust	Chicago, IL	311,569	320,916	321,165	FNMA	31410MGJ3	249
Northern Trust	Chicago, IL	510,440	525,753	526,160	FNMA	31410MZZQ6	407
Northern Trust	Chicago, IL	618,536	637,092	637,586	FNMA	31410KPA6	494
Northern Trust	Chicago, IL	428,923	441,791	442,133	FNMA	31410KU36	342
Northern Trust	Chicago, IL	317,933	327,471	327,725	FNMA	31410KPY4	254
Northern Trust	Chicago, IL	511,905	527,262	527,671	FNMA	31410KN26	409
Northern Trust	Chicago, IL	555,906	572,583	573,027	FNMA	31410KSY1	444
Northern Trust	Chicago, IL	346,267	356,655	356,932	FNMA	31410KAW4	277
Northern Trust	Chicago, IL	377,262	388,580	388,881	FNMA	31410GUR2	301
Northern Trust	Chicago, IL	314,655	324,095	324,346	FNMA	31410GRU9	251
Northern Trust	Chicago, IL	453,845	467,460	467,823	FNMA	31410GSC8	363
Northern Trust	Chicago, IL	408,187	420,433	420,759	FNMA	31410GUV3	326
Northern Trust	Chicago, IL	350,538	361,054	361,334	FNMA	31410GCF8	280
Northern Trust	Chicago, IL	403,629	415,738	416,060	FNMA	31410GPG2	322
Northern Trust	Chicago, IL	876,111	902,394	903,094	FNMA	31410GYB3	700
Northern Trust	Chicago, IL	479,873	494,269	494,652	FNMA	31410GEK5	383
Northern Trust	Chicago, IL	368,820	379,885	380,179	FNMA	31410GSU8	294
Northern Trust	Chicago, IL	401,841	413,896	414,217	FNMA	31410FSJ5	321
Northern Trust	Chicago, IL	415,136	427,590	427,922	FNMA	31410FE27	332
Northern Trust	Chicago, IL	602,077	620,139	620,620	FNMA	31410FE35	481
Northern Trust	Chicago, IL	400,695	412,716	413,036	FNMA	31410FEP6	320
Northern Trust	Chicago, IL	450,641	464,160	464,520	FNMA	31410F3L7	360

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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 394,174	405,999	406,314	FNMA	31410FVW2	315
Northern Trust	Chicago, IL	590,223	607,930	608,401	FNMA	31410F2L8	471
Northern Trust	Chicago, IL	630,601	649,519	650,022	FNMA	31410FZ32	503
Northern Trust	Chicago, IL	351,843	362,398	362,679	FNMA	31410EFA1	281
Northern Trust	Chicago, IL	442,468	455,742	456,095	FNMA	31410EB64	353
Northern Trust	Chicago, IL	416,958	429,467	429,799	FNMA	31410EDK1	332
Northern Trust	Chicago, IL	313,890	323,307	323,557	FNMA	31410EEW4	250
Northern Trust	Chicago, IL	304,474	313,608	313,852	FNMA	31410EMF2	244
Northern Trust	Chicago, IL	596,408	614,300	614,777	FNMA	31410DSI5	477
Northern Trust	Chicago, IL	319,794	329,388	329,643	FNMA	31410DUT5	255
Northern Trust	Chicago, IL	352,617	363,196	363,477	FNMA	31410DDY3	281
Northern Trust	Chicago, IL	314,942	324,390	324,641	FNMA	31410C5N8	251
Northern Trust	Chicago, IL	382,717	394,199	394,504	FNMA	31410C2Z4	305
Northern Trust	Chicago, IL	399,959	411,958	412,277	FNMA	31410C2M3	319
Northern Trust	Chicago, IL	361,243	372,080	372,369	FNMA	31410CBF8	289
Northern Trust	Chicago, IL	524,450	540,184	540,603	FNMA	31410CXM9	419
Northern Trust	Chicago, IL	495,029	509,880	510,275	FNMA	31410CR95	395
Northern Trust	Chicago, IL	335,652	345,722	345,990	FNMA	31410BD76	268
Northern Trust	Chicago, IL	438,590	451,748	452,098	FNMA	31410BAV6	350
Northern Trust	Chicago, IL	494,957	509,806	510,201	FNMA	31409YGL5	395
Northern Trust	Chicago, IL	430,573	443,490	443,834	FNMA	31409YMB0	344
Northern Trust	Chicago, IL	330,048	339,949	340,213	FNMA	31409XYG8	264
Northern Trust	Chicago, IL	311,186	320,522	320,771	FNMA	31409XGS2	249
Northern Trust	Chicago, IL	334,764	344,807	345,074	FNMA	31409WW31	267
Northern Trust	Chicago, IL	566,921	583,929	584,381	FNMA	31409WVK1	452
Northern Trust	Chicago, IL	579,317	596,697	597,159	FNMA	31409WA76	462
Northern Trust	Chicago, IL	298,433	307,386	307,625	FNMA	31409WLF6	239
Northern Trust	Chicago, IL	394,154	405,979	406,294	FNMA	31409VHR7	315
Northern Trust	Chicago, IL	599,596	617,584	618,063	FNMA	31409VGY3	479
Northern Trust	Chicago, IL	439,289	452,468	452,818	FNMA	31409VC27	350
Northern Trust	Chicago, IL	601,837	619,892	620,372	FNMA	31409VNL3	480
Northern Trust	Chicago, IL	620,100	638,703	639,198	FNMA	31409VUM3	495
Northern Trust	Chicago, IL	467,168	481,183	481,556	FNMA	31409VCU5	373
Northern Trust	Chicago, IL	629,905	648,802	649,305	FNMA	31409VCR2	503
Northern Trust	Chicago, IL	628,359	647,210	647,711	FNMA	31409UB38	501
Northern Trust	Chicago, IL	554,327	570,957	571,400	FNMA	31409UCC7	443
Northern Trust	Chicago, IL	492,473	507,247	507,641	FNMA	31409IT73	394
Northern Trust	Chicago, IL	435,673	448,743	449,091	FNMA	31409TUC0	348
Northern Trust	Chicago, IL	605,230	623,387	623,870	FNMA	31409TZE1	483
Northern Trust	Chicago, IL	585,177	602,732	603,200	FNMA	31409TSU3	468
Northern Trust	Chicago, IL	379,103	390,476	390,779	FNMA	31409JYR5	303
Northern Trust	Chicago, IL	439,209	452,385	452,736	FNMA	31409JLK4	351
Northern Trust	Chicago, IL	375,917	387,195	387,495	FNMA	31409JMC1	300
Northern Trust	Chicago, IL	546,489	562,884	563,320	FNMA	31409JQQ6	436
Northern Trust	Chicago, IL	401,614	413,662	413,983	FNMA	31409H7G3	321
Northern Trust	Chicago, IL	569,435	586,518	586,973	FNMA	31409HAV6	455
Northern Trust	Chicago, IL	308,881	318,147	318,394	FNMA	31409HCR3	247
Northern Trust	Chicago, IL	534,902	550,949	551,376	FNMA	31409HAZ7	427
Northern Trust	Chicago, IL	450,815	464,339	464,699	FNMA	31409HXX7	360
Northern Trust	Chicago, IL	422,465	435,139	435,477	FNMA	31409HZU1	338
Northern Trust	Chicago, IL	399,897	411,894	412,213	FNMA	31409FPZ5	319
Northern Trust	Chicago, IL	602,733	620,815	621,296	FNMA	31409ERN3	481
Northern Trust	Chicago, IL	576,134	593,418	593,878	FNMA	31409D6Q1	460
Northern Trust	Chicago, IL	591,562	609,309	609,781	FNMA	31409DUR2	472
Northern Trust	Chicago, IL	369,246	380,323	380,619	FNMA	31409DZA4	296
Northern Trust	Chicago, IL	486,678	501,278	501,667	FNMA	31409DZP1	389
Northern Trust	Chicago, IL	599,617	617,606	618,084	FNMA	31409DS61	478

STATE OF NEW MEXICO
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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 357,169	367,884	368,170	FNMA	31409DK69	286
Northern Trust	Chicago, IL	330,745	340,667	340,931	FNMA	31409CV44	264
Northern Trust	Chicago, IL	434,861	447,907	448,254	FNMA	31409CUX1	347
Northern Trust	Chicago, IL	416,616	429,114	429,447	FNMA	31409C4M4	333
Northern Trust	Chicago, IL	360,773	371,596	371,884	FNMA	31409CEG6	288
Northern Trust	Chicago, IL	454,281	467,909	468,272	FNMA	31409CZQ1	363
Northern Trust	Chicago, IL	610,317	628,627	629,113	FNMA	31409CZV0	486
Northern Trust	Chicago, IL	537,634	553,763	554,192	FNMA	31409BEK9	429
Northern Trust	Chicago, IL	393,332	405,132	405,446	FNMA	31409AGU7	314
Northern Trust	Chicago, IL	357,367	368,088	368,373	FNMA	31409A3Q0	285
Northern Trust	Chicago, IL	308,949	318,217	318,465	FNMA	31409AF53	248
Northern Trust	Chicago, IL	593,023	610,814	611,287	FNMA	31409AXM6	473
Northern Trust	Chicago, IL	360,506	371,321	371,609	FNMA	31408JTA9	288
Northern Trust	Chicago, IL	319,402	328,984	329,239	FNMA	31408JEF4	255
Northern Trust	Chicago, IL	602,167	620,232	620,712	FNMA	31408IIDQ5	480
Northern Trust	Chicago, IL	570,020	587,121	587,576	FNMA	31408IBK0	455
Northern Trust	Chicago, IL	320,502	330,117	330,373	FNMA	31408GK9	256
Northern Trust	Chicago, IL	336,393	346,485	346,753	FNMA	31408GVQ7	268
Northern Trust	Chicago, IL	386,447	398,040	398,349	FNMA	31408GM53	309
Northern Trust	Chicago, IL	434,098	447,121	447,467	FNMA	31408GFU6	346
Northern Trust	Chicago, IL	433,301	446,300	446,646	FNMA	31408FU23	346
Northern Trust	Chicago, IL	514,167	529,592	530,002	FNMA	31408FLH0	410
Northern Trust	Chicago, IL	575,422	592,685	593,144	FNMA	31408F6B0	459
Northern Trust	Chicago, IL	579,688	597,079	597,542	FNMA	31408ERW4	463
Northern Trust	Chicago, IL	529,629	545,518	545,941	FNMA	31408ES86	423
Northern Trust	Chicago, IL	383,158	394,653	394,959	FNMA	31408DJG0	306
Northern Trust	Chicago, IL	328,698	338,559	338,822	FNMA	31408DFB5	263
Northern Trust	Chicago, IL	351,963	362,522	362,803	FNMA	31408D6V1	281
Northern Trust	Chicago, IL	474,736	488,978	489,357	FNMA	31408DAN4	379
Northern Trust	Chicago, IL	558,030	574,771	575,217	FNMA	31408DLX0	446
Northern Trust	Chicago, IL	469,388	483,470	483,845	FNMA	31408DZK3	375
Northern Trust	Chicago, IL	348,237	358,684	358,962	FNMA	31408DZL1	278
Northern Trust	Chicago, IL	382,208	393,674	393,980	FNMA	31408CT89	306
Northern Trust	Chicago, IL	340,818	351,043	351,315	FNMA	31408AAE0	272
Northern Trust	Chicago, IL	589,759	607,452	607,923	FNMA	31408AAL4	471
Northern Trust	Chicago, IL	362,606	373,484	373,773	FNMA	31408AKS8	289
Northern Trust	Chicago, IL	310,655	319,975	320,223	FNMA	31408AJ84	248
Northern Trust	Chicago, IL	475,199	489,455	489,835	FNMA	31408AKM1	380
Northern Trust	Chicago, IL	380,842	392,267	392,572	FNMA	31408AKN9	305
Northern Trust	Chicago, IL	392,698	404,479	404,793	FNMA	31407Y2U2	314
Northern Trust	Chicago, IL	350,999	361,529	361,809	FNMA	31407YN12	280
Northern Trust	Chicago, IL	612,276	630,644	631,133	FNMA	31407YRJ0	489
Northern Trust	Chicago, IL	376,259	387,547	387,847	FNMA	31407YYC7	300
Northern Trust	Chicago, IL	487,907	502,544	502,934	FNMA	31407YRS0	390
Northern Trust	Chicago, IL	313,179	322,574	322,824	FNMA	31407YRW1	250
Northern Trust	Chicago, IL	599,465	617,449	617,927	FNMA	31407X4W8	478
Northern Trust	Chicago, IL	358,751	369,514	369,800	FNMA	31407X1I14	286
Northern Trust	Chicago, IL	618,138	636,682	637,176	FNMA	31407XUW9	494
Northern Trust	Chicago, IL	570,588	587,706	588,161	FNMA	31407XXZ9	455
Northern Trust	Chicago, IL	617,484	636,009	636,502	FNMA	31407XJ36	493
Northern Trust	Chicago, IL	300,492	309,507	309,747	FNMA	31407W5V1	240
Northern Trust	Chicago, IL	482,389	496,861	497,246	FNMA	31407W4N0	385
Northern Trust	Chicago, IL	374,840	386,085	386,385	FNMA	31407W5C3	300
Northern Trust	Chicago, IL	564,974	581,923	582,374	FNMA	31407W6N8	451
Northern Trust	Chicago, IL	374,418	385,651	385,949	FNMA	31407VPT6	298
Northern Trust	Chicago, IL	473,475	487,679	488,057	FNMA	31407VGU3	378
Northern Trust	Chicago, IL	571,726	588,878	589,335	FNMA	31407VLA1	457

See Independent Auditors' Report.

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 423,876	436,592	436,931	FNMA	31407VX14	339
Northern Trust	Chicago, IL	451,919	465,477	465,837	FNMA	31407ULP0	360
Northern Trust	Chicago, IL	331,048	340,979	341,243	FNMA	31407U7M3	264
Northern Trust	Chicago, IL	315,655	325,125	325,377	FNMA	31407UAG2	252
Northern Trust	Chicago, IL	426,664	439,464	439,804	FNMA	31407TK82	340
Northern Trust	Chicago, IL	339,566	349,753	350,024	FNMA	31407TXW5	271
Northern Trust	Chicago, IL	402,606	414,684	415,006	FNMA	31407TX12	322
Northern Trust	Chicago, IL	518,369	533,920	534,334	FNMA	31407SGX4	414
Northern Trust	Chicago, IL	404,852	416,998	417,321	FNMA	31407SJS2	323
Northern Trust	Chicago, IL	506,290	521,479	521,883	FNMA	31407SFT4	404
Northern Trust	Chicago, IL	600,879	618,905	619,385	FNMA	31407SL59	480
Northern Trust	Chicago, IL	506,484	521,679	522,083	FNMA	31407STX0	404
Northern Trust	Chicago, IL	436,624	449,723	450,071	FNMA	31407SQ12	348
Northern Trust	Chicago, IL	312,455	321,829	322,078	FNMA	31407RWM2	249
Northern Trust	Chicago, IL	306,176	315,361	315,606	FNMA	31407R2D5	245
Northern Trust	Chicago, IL	409,082	421,354	421,681	FNMA	31407R2G8	327
Northern Trust	Chicago, IL	333,246	343,243	343,509	FNMA	31407RVW1	266
Northern Trust	Chicago, IL	350,276	360,784	361,064	FNMA	31407RST2	280
Northern Trust	Chicago, IL	426,469	439,263	439,604	FNMA	31407P2J6	341
Northern Trust	Chicago, IL	461,209	475,045	475,413	FNMA	31407PBC1	368
Northern Trust	Chicago, IL	589,986	607,686	608,156	FNMA	31407PCU0	470
Northern Trust	Chicago, IL	456,123	469,807	470,171	FNMA	31407PKH0	364
Northern Trust	Chicago, IL	626,298	645,087	645,587	FNMA	31407PP69	500
Northern Trust	Chicago, IL	329,252	339,130	339,393	FNMA	31407NZM8	263
Northern Trust	Chicago, IL	299,649	308,638	308,877	FNMA	31407NBD4	239
Northern Trust	Chicago, IL	401,759	413,812	414,133	FNMA	31407NEQ2	321
Northern Trust	Chicago, IL	429,491	442,376	442,719	FNMA	31407NQK2	343
Northern Trust	Chicago, IL	507,832	523,067	523,473	FNMA	31407MH99	406
Northern Trust	Chicago, IL	563,783	580,696	581,146	FNMA	31407MHA6	450
Northern Trust	Chicago, IL	460,687	474,508	474,875	FNMA	31407MHB4	367
Northern Trust	Chicago, IL	565,411	582,373	582,824	FNMA	31407MJA4	451
Northern Trust	Chicago, IL	414,969	427,418	427,749	FNMA	31407MJP1	331
Northern Trust	Chicago, IL	492,046	506,807	507,200	FNMA	31407LEX1	393
Northern Trust	Chicago, IL	320,596	330,214	330,470	FNMA	31407LQK6	256
Northern Trust	Chicago, IL	352,369	362,940	363,222	FNMA	31407K7F0	282
Northern Trust	Chicago, IL	319,214	328,790	329,046	FNMA	31407K5C9	256
Northern Trust	Chicago, IL	461,386	475,228	475,596	FNMA	31407KC31	368
Northern Trust	Chicago, IL	457,821	471,556	471,921	FNMA	31407KL64	365
Northern Trust	Chicago, IL	485,475	500,039	500,427	FNMA	31407K2V0	388
Northern Trust	Chicago, IL	473,712	487,923	488,301	FNMA	31407JEZ1	378
Northern Trust	Chicago, IL	509,355	524,636	525,042	FNMA	31407JGE6	406
Northern Trust	Chicago, IL	318,191	327,737	327,991	FNMA	31407JDR0	254
Northern Trust	Chicago, IL	577,504	594,829	595,290	FNMA	31407JEF5	461
Northern Trust	Chicago, IL	310,993	320,323	320,571	FNMA	31407J5H1	248
Northern Trust	Chicago, IL	332,671	342,651	342,916	FNMA	31407J5S7	265
Northern Trust	Chicago, IL	459,246	473,023	473,390	FNMA	31407JWH1	367
Northern Trust	Chicago, IL	298,494	307,449	307,688	FNMA	31407JBY7	239
Northern Trust	Chicago, IL	314,952	324,401	324,652	FNMA	31407HK47	251
Northern Trust	Chicago, IL	364,853	375,799	376,089	FNMA	31407HHQ2	290
Northern Trust	Chicago, IL	331,938	341,896	342,161	FNMA	31407H5W2	265
Northern Trust	Chicago, IL	355,774	366,447	366,732	FNMA	31407H5L6	285
Northern Trust	Chicago, IL	328,578	338,435	338,698	FNMA	31407HZD1	263
Northern Trust	Chicago, IL	412,422	424,795	425,124	FNMA	31407HZH2	329
Northern Trust	Chicago, IL	393,384	405,186	405,500	FNMA	31407HTB2	314
Northern Trust	Chicago, IL	524,944	540,692	541,111	FNMA	31407G6T0	419
Northern Trust	Chicago, IL	577,024	594,335	594,796	FNMA	31407GAV0	461
Northern Trust	Chicago, IL	548,399	564,851	565,289	FNMA	31407GBG2	438

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Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 341,061	351,293	351,565	FNMA	31407G4N5	272
Northern Trust	Chicago, IL	564,039	580,960	581,411	FNMA	31407GJ74	451
Northern Trust	Chicago, IL	400,608	412,626	412,946	FNMA	31407FH78	320
Northern Trust	Chicago, IL	363,100	373,993	374,282	FNMA	31407FJC5	289
Northern Trust	Chicago, IL	318,026	327,567	327,821	FNMA	31407FF54	254
Northern Trust	Chicago, IL	527,257	543,075	543,496	FNMA	31407FSS0	421
Northern Trust	Chicago, IL	438,180	451,325	451,675	FNMA	31407FUH1	350
Northern Trust	Chicago, IL	430,536	443,452	443,796	FNMA	31407EHJ5	344
Northern Trust	Chicago, IL	300,921	309,949	310,189	FNMA	31407EA52	240
Northern Trust	Chicago, IL	338,136	348,280	348,550	FNMA	31407EPG2	270
Northern Trust	Chicago, IL	467,068	481,080	481,453	FNMA	31407EJS3	373
Northern Trust	Chicago, IL	443,973	457,292	457,647	FNMA	31407EPC1	355
Northern Trust	Chicago, IL	344,402	354,734	355,010	FNMA	31407DRF4	276
Northern Trust	Chicago, IL	450,062	463,564	463,923	FNMA	31407DPW9	359
Northern Trust	Chicago, IL	350,419	360,932	361,212	FNMA	31407DTV7	280
Northern Trust	Chicago, IL	356,456	367,150	367,434	FNMA	31407DU94	284
Northern Trust	Chicago, IL	349,033	359,504	359,783	FNMA	31407DPH2	279
Northern Trust	Chicago, IL	533,787	549,801	550,227	FNMA	31407DTV7	426
Northern Trust	Chicago, IL	598,115	616,058	616,536	FNMA	31407DUZ6	478
Northern Trust	Chicago, IL	598,850	616,816	617,294	FNMA	31407CGH4	478
Northern Trust	Chicago, IL	538,073	554,215	554,644	FNMA	31407CV20	429
Northern Trust	Chicago, IL	592,269	610,037	610,510	FNMA	31407CAE7	473
Northern Trust	Chicago, IL	354,635	365,274	365,557	FNMA	31407CAC1	283
Northern Trust	Chicago, IL	328,294	338,143	338,405	FNMA	31407BK81	262
Northern Trust	Chicago, IL	590,874	608,600	609,072	FNMA	31407BXH7	472
Northern Trust	Chicago, IL	351,701	362,252	362,533	FNMA	31407ABH3	281
Northern Trust	Chicago, IL	539,481	555,665	556,096	FNMA	31407AB17	431
Northern Trust	Chicago, IL	458,943	472,711	473,078	FNMA	31406YZK9	367
Northern Trust	Chicago, IL	459,269	473,047	473,414	FNMA	31406WGH1	367
Northern Trust	Chicago, IL	338,540	348,696	348,967	FNMA	31406UL48	271
Northern Trust	Chicago, IL	344,749	355,091	355,367	FNMA	31406UL55	276
Northern Trust	Chicago, IL	391,989	403,749	404,061	FNMA	31406TE98	312
Northern Trust	Chicago, IL	610,062	628,364	628,851	FNMA	31406TER8	487
Northern Trust	Chicago, IL	306,950	316,159	316,403	FNMA	31406TF48	244
Northern Trust	Chicago, IL	362,142	373,006	373,295	FNMA	31406T3H2	289
Northern Trust	Chicago, IL	344,838	355,183	355,459	FNMA	31406SWT6	276
Northern Trust	Chicago, IL	317,351	326,872	327,125	FNMA	31406RMZ5	253
Northern Trust	Chicago, IL	302,153	311,218	311,459	FNMA	31406RMG7	241
Northern Trust	Chicago, IL	311,590	320,938	321,186	FNMA	31406RT39	248
Northern Trust	Chicago, IL	360,813	371,637	371,925	FNMA	31406QZZ3	288
Northern Trust	Chicago, IL	522,410	538,082	538,500	FNMA	31406PV97	418
Northern Trust	Chicago, IL	467,184	481,200	481,573	FNMA	31406N4F8	373
Northern Trust	Chicago, IL	401,255	413,293	413,613	FNMA	31406MH66	320
Northern Trust	Chicago, IL	353,333	363,933	364,215	FNMA	31406M4A1	282
Northern Trust	Chicago, IL	389,698	401,389	401,700	FNMA	31406J2W2	311
Northern Trust	Chicago, IL	492,548	507,324	507,718	FNMA	31406JH55	394
Northern Trust	Chicago, IL	396,482	408,376	408,693	FNMA	31406JAN3	317
Northern Trust	Chicago, IL	401,805	413,859	414,180	FNMA	31406JHM8	321
Northern Trust	Chicago, IL	334,519	344,555	344,821	FNMA	31406JTS2	266
Northern Trust	Chicago, IL	499,759	514,752	515,151	FNMA	31406HU70	399
Northern Trust	Chicago, IL	380,424	391,837	392,140	FNMA	31406EFF6	303
Northern Trust	Chicago, IL	489,735	504,427	504,819	FNMA	31406ERC1	392
Northern Trust	Chicago, IL	542,617	558,896	559,329	FNMA	31406EV35	433
Northern Trust	Chicago, IL	500,984	516,014	516,413	FNMA	31406D6S0	399
Northern Trust	Chicago, IL	359,433	370,216	370,503	FNMA	31406BXA3	287
Northern Trust	Chicago, IL	487,045	501,656	502,045	FNMA	31406AKC6	389
Northern Trust	Chicago, IL	419,362	431,943	432,278	FNMA	31405XCS0	335

STATE OF NEW MEXICO
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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 551,272	567,810	568,251	FNMA	31405WXA8	441
Northern Trust	Chicago, IL	345,871	356,247	356,523	FNMA	31405WPA7	276
Northern Trust	Chicago, IL	376,677	387,977	388,278	FNMA	31405WPF6	301
Northern Trust	Chicago, IL	301,698	310,749	310,990	FNMA	31405VZW0	241
Northern Trust	Chicago, IL	298,686	307,647	307,885	FNMA	31405SSG7	238
Northern Trust	Chicago, IL	556,758	573,461	573,905	FNMA	31405SEP5	444
Northern Trust	Chicago, IL	449,008	462,478	462,837	FNMA	31405SBM5	359
Northern Trust	Chicago, IL	379,750	391,143	391,446	FNMA	31405SS47	303
Northern Trust	Chicago, IL	527,935	543,773	544,194	FNMA	31405RAK2	421
Northern Trust	Chicago, IL	458,149	471,893	472,260	FNMA	31405RCR5	367
Northern Trust	Chicago, IL	464,824	478,769	479,140	FNMA	31405R7F7	371
Northern Trust	Chicago, IL	449,631	463,120	463,479	FNMA	31405QFX1	359
Northern Trust	Chicago, IL	435,395	448,457	448,804	FNMA	31405QBP2	347
Northern Trust	Chicago, IL	563,281	580,179	580,629	FNMA	31405MW37	450
Northern Trust	Chicago, IL	320,711	330,332	330,588	FNMA	31405MUH8	256
Northern Trust	Chicago, IL	337,543	347,669	347,939	FNMA	31405KSJ1	270
Northern Trust	Chicago, IL	395,078	406,930	407,245	FNMA	31405JGL2	315
Northern Trust	Chicago, IL	308,593	317,851	318,097	FNMA	31405JLE2	246
Northern Trust	Chicago, IL	417,178	429,693	430,027	FNMA	31405H4W5	334
Northern Trust	Chicago, IL	622,375	641,046	641,543	FNMA	31405HG69	497
Northern Trust	Chicago, IL	584,306	601,835	602,301	FNMA	31405EG74	466
Northern Trust	Chicago, IL	362,530	373,406	373,695	FNMA	31405D4R5	289
Northern Trust	Chicago, IL	321,276	330,914	331,170	FNMA	31405CYT0	256
Northern Trust	Chicago, IL	607,023	625,234	625,718	FNMA	31405AAW3	484
Northern Trust	Chicago, IL	335,269	345,327	345,595	FNMA	31404YT85	268
Northern Trust	Chicago, IL	450,903	464,430	464,790	FNMA	31404XJ96	360
Northern Trust	Chicago, IL	376,163	387,448	387,748	FNMA	31404XVP6	300
Northern Trust	Chicago, IL	569,718	586,810	587,265	FNMA	31404TYN7	455
Northern Trust	Chicago, IL	428,564	441,421	441,763	FNMA	31404SEH4	342
Northern Trust	Chicago, IL	444,277	457,605	457,960	FNMA	31404NEK8	355
Northern Trust	Chicago, IL	340,550	350,767	351,039	FNMA	31404ML97	272
Northern Trust	Chicago, IL	349,014	359,484	359,763	FNMA	31404J892	279
Northern Trust	Chicago, IL	314,372	323,803	324,054	FNMA	31404K2E1	251
Northern Trust	Chicago, IL	596,642	614,541	615,017	FNMA	31404HK73	476
Northern Trust	Chicago, IL	574,254	591,482	591,940	FNMA	31404HLA5	458
Northern Trust	Chicago, IL	489,646	499,439	499,826	FNMA	31404GGP0	387
Northern Trust	Chicago, IL	317,590	327,118	327,372	FNMA	31404B2D3	254
Northern Trust	Chicago, IL	500,586	515,604	516,003	FNMA	31403UWS6	399
Northern Trust	Chicago, IL	425,610	438,378	438,718	FNMA	31403TXQ2	340
Northern Trust	Chicago, IL	519,262	534,840	535,254	FNMA	31403TD84	414
Northern Trust	Chicago, IL	496,828	511,733	512,130	FNMA	31403R5R5	397
Northern Trust	Chicago, IL	301,428	310,471	310,711	FNMA	31403RTE8	240
Northern Trust	Chicago, IL	396,375	408,266	408,583	FNMA	31403NKKQ9	317
Northern Trust	Chicago, IL	366,880	377,886	378,180	FNMA	31403J5L6	294
Northern Trust	Chicago, IL	476,625	490,924	491,304	FNMA	31403DBD0	380
Northern Trust	Chicago, IL	372,182	383,347	383,645	FNMA	31403CXQ9	298
Northern Trust	Chicago, IL	397,994	409,934	410,251	FNMA	31403C6L0	317
Northern Trust	Chicago, IL	387,238	398,855	399,164	FNMA	31402YAL8	309
Northern Trust	Chicago, IL	304,199	310,283	310,524	FNMA	31402WTF5	241
Northern Trust	Chicago, IL	328,050	337,892	338,153	FNMA	31402VTU4	261
Northern Trust	Chicago, IL	517,681	533,211	533,625	FNMA	31402URB0	414
Northern Trust	Chicago, IL	308,097	317,340	317,586	FNMA	31402UAC6	246
Northern Trust	Chicago, IL	442,924	456,212	456,565	FNMA	31402UBH4	353
Northern Trust	Chicago, IL	387,047	398,658	398,967	FNMA	31402TLC7	309
Northern Trust	Chicago, IL	303,975	313,094	313,337	FNMA	31402RIHV4	243
Northern Trust	Chicago, IL	472,945	482,404	482,778	FNMA	31402RGI0	374
Northern Trust	Chicago, IL	516,905	532,412	532,824	FNMA	31402RSN0	412

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 450,355	463,866	464,225	FNMA	31402RCV9	359
Northern Trust	Chicago, IL	499,802	514,796	515,195	FNMA	31402RP52	399
Northern Trust	Chicago, IL	438,041	451,182	451,531	FNMA	31402RGY9	349
Northern Trust	Chicago, IL	340,935	351,163	351,435	FNMA	31402R5R6	272
Northern Trust	Chicago, IL	306,706	315,907	316,152	FNMA	31402RLG2	245
Northern Trust	Chicago, IL	562,048	578,909	579,359	FNMA	31402Q1R2	450
Northern Trust	Chicago, IL	599,870	617,866	618,345	FNMA	31402Q2E0	479
Northern Trust	Chicago, IL	375,867	387,143	387,443	FNMA	31402QYZ8	300
Northern Trust	Chicago, IL	425,713	438,484	438,825	FNMA	31402MKW9	341
Northern Trust	Chicago, IL	362,254	373,122	373,411	FNMA	31402MMB3	289
Northern Trust	Chicago, IL	534,067	550,089	550,515	FNMA	31402LQT2	426
Northern Trust	Chicago, IL	426,013	434,533	434,870	FNMA	31402JYS0	337
Northern Trust	Chicago, IL	613,958	632,377	632,867	FNMA	31402JZF7	490
Northern Trust	Chicago, IL	453,224	466,821	467,182	FNMA	31402HJZ5	361
Northern Trust	Chicago, IL	319,220	328,797	329,052	FNMA	31402G3P6	255
Northern Trust	Chicago, IL	553,810	564,886	565,324	FNMA	31402GQ30	438
Northern Trust	Chicago, IL	332,098	342,061	342,326	FNMA	31402DJM3	265
Northern Trust	Chicago, IL	510,008	525,308	525,715	FNMA	31402DQQ6	407
Northern Trust	Chicago, IL	303,390	312,492	312,734	FNMA	31402DDP2	242
Northern Trust	Chicago, IL	605,484	623,649	624,131	FNMA	31402C6V9	482
Northern Trust	Chicago, IL	422,058	434,720	435,057	FNMA	31402CV58	337
Northern Trust	Chicago, IL	417,357	429,878	430,211	FNMA	31402CT19	333
Northern Trust	Chicago, IL	442,789	456,073	456,426	FNMA	31402CU75	353
Northern Trust	Chicago, IL	324,990	334,740	334,999	FNMA	31402C3Q3	259
Northern Trust	Chicago, IL	505,725	520,897	521,300	FNMA	31402BFJ8	403
Northern Trust	Chicago, IL	347,979	358,418	358,696	FNMA	31401Y4J1	278
Northern Trust	Chicago, IL	323,864	333,580	333,839	FNMA	31401XZ91	259
Northern Trust	Chicago, IL	465,261	474,566	474,934	FNMA	31401XP33	368
Northern Trust	Chicago, IL	511,602	526,950	527,359	FNMA	31401N3J6	409
Northern Trust	Chicago, IL	386,104	397,687	397,996	FNMA	31401N3N7	309
Northern Trust	Chicago, IL	393,717	405,529	405,843	FNMA	31401L5B5	314
Northern Trust	Chicago, IL	337,612	347,740	348,010	FNMA	31401LA86	270
Northern Trust	Chicago, IL	589,529	607,215	607,686	FNMA	31401HRJ3	471
Northern Trust	Chicago, IL	337,233	343,978	344,245	FNMA	31401HMQ2	267
Northern Trust	Chicago, IL	307,952	317,191	317,437	FNMA	31401EW39	246
Northern Trust	Chicago, IL	566,590	583,588	584,040	FNMA	31401CY10	452
Northern Trust	Chicago, IL	313,297	322,696	322,946	FNMA	31401ASM0	250
Northern Trust	Chicago, IL	302,148	311,212	311,454	FNMA	31400QX32	242
Northern Trust	Chicago, IL	526,436	542,229	542,650	FNMA	31400QNX7	421
Northern Trust	Chicago, IL	478,691	493,052	493,434	FNMA	31400PEQ4	382
Northern Trust	Chicago, IL	369,400	380,482	380,776	FNMA	31400JM55	294
Northern Trust	Chicago, IL	448,698	462,159	462,517	FNMA	31400DU34	358
Northern Trust	Chicago, IL	316,542	326,038	326,291	FNMA	31400DPG1	253
Northern Trust	Chicago, IL	311,439	320,782	321,031	FNMA	31400BBW5	249
Northern Trust	Chicago, IL	518,499	534,054	534,468	FNMA	31391WTS0	414
Northern Trust	Chicago, IL	355,695	366,366	366,649	FNMA	31391SZY9	283
Northern Trust	Chicago, IL	547,010	563,420	563,857	FNMA	31391RJJ2	437
Northern Trust	Chicago, IL	91,948	93,787	93,860	FNMA	31391QFC3	73
Northern Trust	Chicago, IL	360,717	371,539	371,827	FNMA	31391PEY8	288
Northern Trust	Chicago, IL	398,000	409,940	410,258	FNMA	31391PAG1	318
Northern Trust	Chicago, IL	477,627	491,956	492,337	FNMA	31391MJZ7	381
Northern Trust	Chicago, IL	428,355	441,206	441,548	FNMA	31390YLS0	342
Northern Trust	Chicago, IL	408,026	420,267	420,593	FNMA	31390WY10	326
Northern Trust	Chicago, IL	323,021	332,712	332,970	FNMA	31390IVG1	258
Northern Trust	Chicago, IL	418,327	430,877	431,211	FNMA	31390REG4	334
Northern Trust	Chicago, IL	306,862	316,068	316,313	FNMA	31390RK85	245
Northern Trust	Chicago, IL	441,732	454,984	455,337	FNMA	31390PGF1	353

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Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 336,472	346,566	346,834	FNMA	31390PGJ0	268
Northern Trust	Chicago, IL	557,338	574,058	574,503	FNMA	31390MGJ7	445
Northern Trust	Chicago, IL	526,097	541,880	542,300	FNMA	31390MFT6	420
Northern Trust	Chicago, IL	499,093	514,066	514,464	FNMA	31390KQ92	398
Northern Trust	Chicago, IL	90,771	93,494	93,566	FNMA	31390JEN7	72
Northern Trust	Chicago, IL	432,716	445,697	446,043	FNMA	31390HDZ5	346
Northern Trust	Chicago, IL	326,649	336,448	336,709	FNMA	31390GHZ3	261
Northern Trust	Chicago, IL	345,872	356,248	356,524	FNMA	31390GLP0	276
Northern Trust	Chicago, IL	446,997	460,407	460,763	FNMA	31390GLU9	356
Northern Trust	Chicago, IL	368,164	379,209	379,503	FNMA	31390GPR2	294
Northern Trust	Chicago, IL	367,772	378,805	379,099	FNMA	31390GE94	294
Northern Trust	Chicago, IL	576,418	593,711	594,171	FNMA	31390F5M7	460
Northern Trust	Chicago, IL	347,033	357,444	357,721	FNMA	31390FCM9	277
Northern Trust	Chicago, IL	457,119	470,833	471,198	FNMA	31390EFX5	365
Northern Trust	Chicago, IL	343,623	353,932	354,206	FNMA	31390ESP8	274
Northern Trust	Chicago, IL	536,723	552,825	553,254	FNMA	31390EVJ8	429
Northern Trust	Chicago, IL	498,761	513,724	514,122	FNMA	31390CGE0	398
Northern Trust	Chicago, IL	580,952	598,381	598,845	FNMA	31390CV37	464
Northern Trust	Chicago, IL	558,166	574,911	575,357	FNMA	31390BKV9	446
Northern Trust	Chicago, IL	473,870	488,086	488,464	FNMA	31390BVM7	378
Northern Trust	Chicago, IL	514,894	530,341	530,752	FNMA	31390AA91	411
Northern Trust	Chicago, IL	520,898	536,525	536,941	FNMA	31389UQX0	416
Northern Trust	Chicago, IL	342,598	352,876	353,150	FNMA	31389TGR7	274
Northern Trust	Chicago, IL	415,776	428,249	428,581	FNMA	31389PNK2	332
Northern Trust	Chicago, IL	321,016	330,646	330,903	FNMA	31389MHC4	257
Northern Trust	Chicago, IL	326,496	336,291	336,551	FNMA	31389KDX6	260
Northern Trust	Chicago, IL	327,447	337,270	337,532	FNMA	31389KXD8	262
Northern Trust	Chicago, IL	469,704	483,795	484,170	FNMA	31389GSH4	375
Northern Trust	Chicago, IL	592,466	610,240	610,713	FNMA	31389FKC5	473
Northern Trust	Chicago, IL	355,998	363,118	363,399	FNMA	31388VSF6	281
Northern Trust	Chicago, IL	338,918	349,086	349,356	FNMA	31388R3P0	270
Northern Trust	Chicago, IL	511,313	526,652	527,061	FNMA	31388KCY6	409
Northern Trust	Chicago, IL	304,234	313,361	313,604	FNMA	31388HBH1	243
Northern Trust	Chicago, IL	596,325	614,215	614,691	FNMA	31388G6E6	476
Northern Trust	Chicago, IL	600,933	618,961	619,441	FNMA	31388GUZ2	480
Northern Trust	Chicago, IL	488,073	502,715	503,105	FNMA	31388CVD9	390
Northern Trust	Chicago, IL	390,011	401,711	402,023	FNMA	31387XFT7	312
Northern Trust	Chicago, IL	380,465	391,879	392,182	FNMA	31387XXY6	303
Northern Trust	Chicago, IL	348,695	359,156	359,434	FNMA	31387V3E7	278
Northern Trust	Chicago, IL	471,765	485,918	486,294	FNMA	31387TZS6	376
Northern Trust	Chicago, IL	398,990	410,960	411,278	FNMA	31387PQ96	318
Northern Trust	Chicago, IL	371,050	382,182	382,477	FNMA	31387EJ40	295
Northern Trust	Chicago, IL	574,318	591,548	592,006	FNMA	31387EJ99	458
Northern Trust	Chicago, IL	307,710	316,941	317,187	FNMA	31386YNR1	246
Northern Trust	Chicago, IL	381,393	392,835	393,140	FNMA	31386TD77	305
Northern Trust	Chicago, IL	499,758	509,753	510,149	FNMA	31386QZT1	396
Northern Trust	Chicago, IL	469,268	483,346	483,721	FNMA	31386P6F5	375
Northern Trust	Chicago, IL	338,449	348,602	348,873	FNMA	31386GDU4	271
Northern Trust	Chicago, IL	331,370	341,311	341,576	FNMA	31386FX83	265
Northern Trust	Chicago, IL	460,709	474,530	474,898	FNMA	31386FWC5	368
Northern Trust	Chicago, IL	340,866	347,683	347,953	FNMA	31385XF28	270
Northern Trust	Chicago, IL	353,671	360,744	361,024	FNMA	31385W1W9	280
Northern Trust	Chicago, IL	562,506	579,381	579,830	FNMA	31385WYM5	449
Northern Trust	Chicago, IL	346,187	353,111	353,385	FNMA	31385WRZ4	274
Northern Trust	Chicago, IL	444,660	458,000	458,355	FNMA	31385W4K2	355
Northern Trust	Chicago, IL	511,444	526,787	527,196	FNMA	31385WZT9	409
Northern Trust	Chicago, IL	364,280	375,208	375,499	FNMA	31385UBC6	291

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Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 384,451	395,985	396,291	FNMA	31385SJL3	306
Northern Trust	Chicago, IL	435,220	448,277	448,624	FNMA	31385SS41	347
Northern Trust	Chicago, IL	580,589	592,201	592,660	FNMA	31385JQP6	459
Northern Trust	Chicago, IL	517,214	532,730	533,144	FNMA	31385JK64	414
Northern Trust	Chicago, IL	547,548	563,974	564,412	FNMA	31385JJD1	438
Northern Trust	Chicago, IL	329,613	339,501	339,765	FNMA	31385JPY8	264
Northern Trust	Chicago, IL	306,713	315,914	316,159	FNMA	31385HV41	245
Northern Trust	Chicago, IL	492,780	507,563	507,957	FNMA	31385HN40	394
Northern Trust	Chicago, IL	309,722	319,014	319,261	FNMA	31385AYF8	247
Northern Trust	Chicago, IL	580,866	598,292	598,756	FNMA	31384YVW4	464
Northern Trust	Chicago, IL	487,620	502,249	502,638	FNMA	31384VMV1	389
Northern Trust	Chicago, IL	552,093	568,656	569,096	FNMA	31384LXP4	440
Northern Trust	Chicago, IL	456,337	470,027	470,391	FNMA	31384FQT7	364
Northern Trust	Chicago, IL	416,061	428,543	428,875	FNMA	31384BTK2	332
Northern Trust	Chicago, IL	498,527	513,483	513,881	FNMA	31383YTL1	398
Northern Trust	Chicago, IL	343,092	353,385	353,659	FNMA	31383YTT4	274
Northern Trust	Chicago, IL	465,638	479,607	479,979	FNMA	31383UZZ5	372
Northern Trust	Chicago, IL	402,692	414,773	415,094	FNMA	31383QAJ3	321
Northern Trust	Chicago, IL	302,248	311,315	311,557	FNMA	31383ARM3	242
Northern Trust	Chicago, IL	308,097	317,340	317,586	FNMA	31382X5S5	246
Northern Trust	Chicago, IL	411,414	423,756	424,085	FNMA	31382EQ47	329
Northern Trust	Chicago, IL	510,082	525,384	525,791	FNMA	31381JVM1	407
Northern Trust	Chicago, IL	495,537	505,448	505,840	FNMA	31381JVS8	392
Northern Trust	Chicago, IL	340,547	350,763	351,036	FNMA	31381BF61	273
Northern Trust	Chicago, IL	625,212	643,968	644,468	FNMA	31380PX95	500
Northern Trust	Chicago, IL	318,793	328,357	328,611	FNMA	31380D7K6	254
Northern Trust	Chicago, IL	359,866	367,063	367,348	FNMA	31379YUN1	285
Northern Trust	Chicago, IL	473,374	487,575	487,953	FNMA	31379XKH7	378
Northern Trust	Chicago, IL	528,287	544,136	544,558	FNMA	31379WV95	422
Northern Trust	Chicago, IL	606,009	624,189	624,673	FNMA	31379TXK5	484
Northern Trust	Chicago, IL	90,726	93,448	93,520	FNMA	31379PXT4	72
Northern Trust	Chicago, IL	354,715	365,356	365,639	FNMA	31379C2D2	283
Northern Trust	Chicago, IL	623,283	641,981	642,479	FNMA	31379C3B5	498
Northern Trust	Chicago, IL	458,217	471,964	472,329	FNMA	31378TJG8	365
Northern Trust	Chicago, IL	408,164	420,409	420,735	FNMA	31376KHIQ2	326
Northern Trust	Chicago, IL	454,968	468,617	468,980	FNMA	31376KUH7	363
Northern Trust	Chicago, IL	442,787	456,071	456,424	FNMA	31376KN2	353
Northern Trust	Chicago, IL	540,832	557,057	557,489	FNMA	31375TPE2	432
Northern Trust	Chicago, IL	91,534	93,365	93,437	FNMA	31375MH48	72
Northern Trust	Chicago, IL	516,125	531,609	532,021	FNMA	31375HE34	412
Northern Trust	Chicago, IL	317,780	327,313	327,567	FNMA	31375GDS2	254
Northern Trust	Chicago, IL	90,597	93,315	93,387	FNMA	31374XMM9	72
Northern Trust	Chicago, IL	350,970	361,499	361,779	FNMA	31374THC6	280
Northern Trust	Chicago, IL	512,771	528,154	528,563	FNMA	31374TYD5	409
Northern Trust	Chicago, IL	549,331	565,811	566,250	FNMA	31374TD55	439
Northern Trust	Chicago, IL	311,814	318,050	318,297	FNMA	31374G1W7	247
Northern Trust	Chicago, IL	328,855	338,721	338,983	FNMA	31374GX28	262
Northern Trust	Chicago, IL	513,059	528,451	528,860	FNMA	31373UF85	409
Northern Trust	Chicago, IL	520,867	536,493	536,908	FNMA	31373URD1	415
Northern Trust	Chicago, IL	533,711	549,722	550,148	FNMA	31373URK5	426
Northern Trust	Chicago, IL	413,450	425,854	426,184	FNMA	31373USA6	330
Northern Trust	Chicago, IL	411,972	424,331	424,660	FNMA	31371Y4Z1	329
Northern Trust	Chicago, IL	496,507	511,402	511,799	FNMA	31371PB82	397
Northern Trust	Chicago, IL	594,425	612,258	612,732	FNMA	31371PBQ2	474
Northern Trust	Chicago, IL	502,093	517,156	517,557	FNMA	31371N7C3	401
Northern Trust	Chicago, IL	344,861	355,207	355,482	FNMA	31371NI.37	275
Northern Trust	Chicago, IL	462,667	476,547	476,917	FNMA	31371NMT9	370

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Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 388,230	395,995	396,302	FNMA	31371NJZ9	307
Northern Trust	Chicago, IL	433,868	446,884	447,230	FNMA	31371NXX6	346
Northern Trust	Chicago, IL	444,034	452,915	453,266	FNMA	31371NX67	351
Northern Trust	Chicago, IL	419,495	427,885	428,217	FNMA	31371NXT7	332
Northern Trust	Chicago, IL	612,630	624,883	625,367	FNMA	31371NYZ2	484
Northern Trust	Chicago, IL	381,506	389,136	389,438	FNMA	31371NJR7	302
Northern Trust	Chicago, IL	429,901	442,798	443,142	FNMA	31371NV85	344
Northern Trust	Chicago, IL	440,624	453,843	454,194	FNMA	31371NHR9	351
Northern Trust	Chicago, IL	518,470	534,024	534,438	FNMA	31371NGN9	414
Northern Trust	Chicago, IL	567,604	584,632	585,085	FNMA	31371NU45	453
Northern Trust	Chicago, IL	456,568	465,699	466,060	FNMA	31371NUY9	361
Northern Trust	Chicago, IL	555,941	572,619	573,063	FNMA	31371NDQ5	444
Northern Trust	Chicago, IL	615,800	628,116	628,602	FNMA	31371NUS2	486
Northern Trust	Chicago, IL	311,578	320,925	321,174	FNMA	31371NTY1	249
Northern Trust	Chicago, IL	458,081	471,823	472,189	FNMA	31371NB87	366
Northern Trust	Chicago, IL	519,092	534,665	535,079	FNMA	31371NBG9	414
Northern Trust	Chicago, IL	519,773	535,366	535,781	FNMA	31371NTJ4	415
Northern Trust	Chicago, IL	416,557	424,888	425,217	FNMA	31371NRU1	329
Northern Trust	Chicago, IL	379,002	386,582	386,882	FNMA	31371NRV9	300
Northern Trust	Chicago, IL	503,535	518,641	519,043	FNMA	31371M5M5	402
Northern Trust	Chicago, IL	367,280	378,298	378,592	FNMA	31371MM46	294
Northern Trust	Chicago, IL	329,965	339,864	340,127	FNMA	31371M6F9	263
Northern Trust	Chicago, IL	328,225	338,072	338,334	FNMA	31371ML21	262
Northern Trust	Chicago, IL	616,427	634,920	635,412	FNMA	31371MLB1	492
Northern Trust	Chicago, IL	367,201	378,217	378,510	FNMA	31371M4U8	293
Northern Trust	Chicago, IL	488,173	502,818	503,208	FNMA	31371MHL4	390
Northern Trust	Chicago, IL	302,292	311,361	311,602	FNMA	31371MLK1	241
Northern Trust	Chicago, IL	380,953	392,382	392,686	FNMA	31371MGB7	304
Northern Trust	Chicago, IL	388,222	399,869	400,178	FNMA	31371MH91	309
Northern Trust	Chicago, IL	556,100	572,783	573,227	FNMA	31371MGE1	444
Northern Trust	Chicago, IL	354,910	365,557	365,841	FNMA	31371MJX6	284
Northern Trust	Chicago, IL	421,934	434,592	434,929	FNMA	31371MF93	337
Northern Trust	Chicago, IL	552,783	569,366	569,808	FNMA	31371MWN3	442
Northern Trust	Chicago, IL	531,299	547,238	547,662	FNMA	31371MDN4	424
Northern Trust	Chicago, IL	400,359	412,370	412,690	FNMA	31371MCE5	320
Northern Trust	Chicago, IL	427,392	440,214	440,555	FNMA	31371MWC7	341
Northern Trust	Chicago, IL	584,503	596,193	596,655	FNMA	31371MC88	462
Northern Trust	Chicago, IL	454,720	468,362	468,725	FNMA	31371MT23	363
Northern Trust	Chicago, IL	484,819	499,364	499,750	FNMA	31371MSX6	386
Northern Trust	Chicago, IL	383,909	395,426	395,733	FNMA	31371MSV0	307
Northern Trust	Chicago, IL	546,353	562,744	563,180	FNMA	31371MQX8	436
Northern Trust	Chicago, IL	400,903	412,930	413,251	FNMA	31371MR90	321
Northern Trust	Chicago, IL	560,430	571,639	572,081	FNMA	31371MSN8	442
Northern Trust	Chicago, IL	391,915	403,672	403,985	FNMA	31371M7J0	313
Northern Trust	Chicago, IL	340,744	350,966	351,238	FNMA	31371MPA9	272
Northern Trust	Chicago, IL	352,939	359,998	360,277	FNMA	31371LHS1	279
Northern Trust	Chicago, IL	322,379	332,050	332,307	FNMA	31371LWU9	257
Northern Trust	Chicago, IL	367,038	374,379	374,669	FNMA	31371LE70	290
Northern Trust	Chicago, IL	418,212	430,758	431,092	FNMA	31371LVC0	334
Northern Trust	Chicago, IL	514,357	524,644	525,050	FNMA	31371LCT4	406
Northern Trust	Chicago, IL	608,133	620,296	620,777	FNMA	31371LUI.1	481
Northern Trust	Chicago, IL	504,372	519,503	519,906	FNMA	31371LUK3	403
Northern Trust	Chicago, IL	483,421	497,924	498,309	FNMA	31371LPJ2	385
Northern Trust	Chicago, IL	432,180	440,824	441,166	FNMA	31371LAE9	342
Northern Trust	Chicago, IL	349,097	356,079	356,355	FNMA	31371LAH2	276
Northern Trust	Chicago, IL	449,743	458,738	459,093	FNMA	31371LNH8	355
Northern Trust	Chicago, IL	330,425	337,034	337,295	FNMA	31371LNW5	261

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 379,798	391,192	391,495	FNMA	31371L6G9	303
Northern Trust	Chicago, IL	482,918	497,406	497,791	FNMA	31371LMH9	385
Northern Trust	Chicago, IL	598,906	616,873	617,351	FNMA	31371LPA1	478
Northern Trust	Chicago, IL	557,807	568,963	569,404	FNMA	31371LK40	441
Northern Trust	Chicago, IL	365,316	372,622	372,911	FNMA	31371LZJ1	289
Northern Trust	Chicago, IL	586,976	598,716	599,180	FNMA	31371LJ91	464
Northern Trust	Chicago, IL	612,352	630,723	631,211	FNMA	31371KHW4	488
Northern Trust	Chicago, IL	390,036	397,837	398,145	FNMA	31371KWF4	308
Northern Trust	Chicago, IL	345,016	351,916	352,189	FNMA	31371KU90	273
Northern Trust	Chicago, IL	349,421	359,904	360,183	FNMA	31371KXF3	279
Northern Trust	Chicago, IL	359,223	370,000	370,287	FNMA	31371KGU9	287
Northern Trust	Chicago, IL	461,221	475,058	475,425	FNMA	31371KWV9	367
Northern Trust	Chicago, IL	453,418	462,486	462,845	FNMA	31371KT35	359
Northern Trust	Chicago, IL	324,154	330,637	330,894	FNMA	31371KB67	257
Northern Trust	Chicago, IL	494,102	508,925	509,320	FNMA	31371KP88	395
Northern Trust	Chicago, IL	425,344	438,104	438,444	FNMA	31371KP54	340
Northern Trust	Chicago, IL	590,737	602,552	603,018	FNMA	31371K5S6	466
Northern Trust	Chicago, IL	625,055	637,556	638,050	FNMA	31371K4B4	494
Northern Trust	Chicago, IL	324,140	330,623	330,879	FNMA	31371K1Q2	256
Northern Trust	Chicago, IL	323,695	330,169	330,425	FNMA	31371K2P5	256
Northern Trust	Chicago, IL	508,666	523,926	524,332	FNMA	31371KHZ7	406
Northern Trust	Chicago, IL	436,076	449,158	449,506	FNMA	31371KKK6	348
Northern Trust	Chicago, IL	427,206	440,022	440,363	FNMA	31371J7A6	341
Northern Trust	Chicago, IL	378,909	390,276	390,579	FNMA	31371JYG3	303
Northern Trust	Chicago, IL	467,444	481,467	481,841	FNMA	31371H4H8	374
Northern Trust	Chicago, IL	463,673	477,583	477,953	FNMA	31371HB64	370
Northern Trust	Chicago, IL	479,139	493,513	493,896	FNMA	31371HQX9	383
Northern Trust	Chicago, IL	437,007	450,117	450,466	FNMA	31371HHT8	349
Northern Trust	Chicago, IL	544,364	560,695	561,130	FNMA	31371H1U0	435
Northern Trust	Chicago, IL	392,236	404,003	404,316	FNMA	31371HE53	313
Northern Trust	Chicago, IL	313,608	323,016	323,266	FNMA	31371GVE7	250
Northern Trust	Chicago, IL	562,139	579,003	579,452	FNMA	31368HM26	449
Northern Trust	Chicago, IL	343,911	354,228	354,503	FNMA	31368HH48	275
Northern Trust	Chicago, IL	414,730	427,172	427,503	FNMA	31368HMH3	331
Northern Trust	Chicago, IL	347,035	357,446	357,723	FNMA	31368HKY8	277
Northern Trust	Chicago, IL	623,941	642,659	643,157	FNMA	31368HKZ5	498
Northern Trust	Chicago, IL	474,327	488,557	488,935	FNMA	31368HYU1	378
Northern Trust	Chicago, IL	445,480	458,844	459,200	FNMA	31365KMF3	356
Northern Trust	Chicago, IL	391,444	403,187	403,499	FNMA	313615UQ7	312
Northern Trust	Chicago, IL	601,061	619,093	619,573	FMAC	31342AST7	480
Northern Trust	Chicago, IL	318,750	328,313	328,567	FMAC	31342AM97	254
Northern Trust	Chicago, IL	413,324	425,724	426,053	FMAC	31336SKL1	329
Northern Trust	Chicago, IL	534,427	550,460	550,887	FMAC	31336SJK5	427
Northern Trust	Chicago, IL	322,171	331,836	332,093	FMAC	31335H7L1	257
Northern Trust	Chicago, IL	417,535	430,061	430,394	FMAC	31335H4P5	333
Northern Trust	Chicago, IL	356,583	367,280	367,566	FMAC	31335HTG8	286
Northern Trust	Chicago, IL	416,341	428,831	429,163	FMAC	31335H7D9	332
Northern Trust	Chicago, IL	609,616	627,904	628,391	FMAC	31335HW33	487
Northern Trust	Chicago, IL	421,882	430,320	430,653	FMAC	31335HBN2	333
Northern Trust	Chicago, IL	456,313	470,002	470,367	FMAC	31298CUX5	365
Northern Trust	Chicago, IL	542,426	558,699	559,132	FMAC	31297YKU5	433
Northern Trust	Chicago, IL	456,195	469,881	470,245	FMAC	31297UVE7	364
Northern Trust	Chicago, IL	388,726	400,388	400,699	FMAC	31297HAS8	311
Northern Trust	Chicago, IL	406,649	418,848	419,173	FMAC	31297FG56	325
Northern Trust	Chicago, IL	360,990	371,820	372,108	FMAC	31297FJ95	288
Northern Trust	Chicago, IL	352,777	363,360	363,641	FMAC	3129721P0	281
Northern Trust	Chicago, IL	349,631	360,120	360,399	FMAC	312972B92	279

Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 311,858	321,214	321,462	FMAC	312971B94	248
Northern Trust	Chicago, IL	464,261	473,546	473,913	FMAC	312971FE9	367
Northern Trust	Chicago, IL	306,179	315,364	315,609	FMAC	312970HC3	245
Northern Trust	Chicago, IL	626,960	645,769	646,270	FMAC	31296SKL9	501
Northern Trust	Chicago, IL	488,877	503,543	503,934	FMAC	31296QC73	391
Northern Trust	Chicago, IL	539,454	555,638	556,068	FMAC	31296NK48	430
Northern Trust	Chicago, IL	436,260	449,348	449,697	FMAC	31296LK75	349
Northern Trust	Chicago, IL	374,093	385,316	385,614	FMAC	312968V56	298
Northern Trust	Chicago, IL	378,515	389,870	390,173	FMAC	312967NA6	303
Northern Trust	Chicago, IL	308,322	314,488	314,732	FMAC	312967MH2	244
Northern Trust	Chicago, IL	509,712	519,906	520,310	FMAC	312966TP9	404
Northern Trust	Chicago, IL	391,634	399,467	399,776	FMAC	312966VK7	309
Northern Trust	Chicago, IL	303,613	309,685	309,926	FMAC	312966FH3	241
Northern Trust	Chicago, IL	365,716	373,030	373,319	FMAC	312964FV6	289
Northern Trust	Chicago, IL	394,552	402,443	402,755	FMAC	312963WY3	312
Northern Trust	Chicago, IL	351,970	359,009	359,288	FMAC	3129637M7	279
Northern Trust	Chicago, IL	331,456	338,085	338,347	FMAC	312962ZK2	262
Northern Trust	Chicago, IL	336,205	342,929	343,195	FMAC	31294KUP8	266
Northern Trust	Chicago, IL	424,507	432,997	433,332	FMAC	31294KDK8	335
Northern Trust	Chicago, IL	331,345	337,972	338,233	FMAC	31294KZE8	261
Northern Trust	Chicago, IL	424,432	432,921	433,257	FMAC	31294KQ73	336
Northern Trust	Chicago, IL	547,740	558,695	559,128	FMAC	31294KHR9	433
Northern Trust	Chicago, IL	493,627	508,436	508,830	FMAC	31293YKL9	394
Northern Trust	Chicago, IL	303,865	312,981	313,224	FMAC	312935ZG7	243
Northern Trust	Chicago, IL	577,033	594,344	594,805	FMAC	3129352D0	461
Northern Trust	Chicago, IL	508,373	523,624	524,030	FMAC	312933MC5	406
Northern Trust	Chicago, IL	576,329	593,619	594,079	FMAC	312933PC2	460
Northern Trust	Chicago, IL	617,410	635,932	636,425	FMAC	312933SZ8	493
Northern Trust	Chicago, IL	879,404	905,786	906,488	FMAC	312933TJ3	702
Northern Trust	Chicago, IL	301,386	310,428	310,668	FMAC	312933YK4	240
Northern Trust	Chicago, IL	578,150	595,495	595,956	FMAC	312932GA8	461
Northern Trust	Chicago, IL	609,980	628,279	628,767	FMAC	312932QC3	488
Northern Trust	Chicago, IL	448,502	461,957	462,315	FMAC	312931M88	358
Northern Trust	Chicago, IL	471,387	485,529	485,905	FMAC	312931CU0	376
Northern Trust	Chicago, IL	298,528	307,484	307,722	FMAC	312931HF8	238
Northern Trust	Chicago, IL	378,606	389,964	390,266	FMAC	3129305C0	302
Northern Trust	Chicago, IL	611,492	629,837	630,325	FMAC	31292FH2H6	488
Northern Trust	Chicago, IL	531,206	547,142	547,567	FMAC	312921HD25	425
Northern Trust	Chicago, IL	337,015	347,125	347,395	FMAC	31292HYK4	270
Northern Trust	Chicago, IL	568,449	585,502	585,956	FMAC	31292HD68	454
Northern Trust	Chicago, IL	457,323	471,043	471,408	FMAC	31292HXB5	365
Northern Trust	Chicago, IL	524,551	540,288	540,706	FMAC	31292HXB5	418
Northern Trust	Chicago, IL	468,922	482,990	483,364	FMAC	31292HQW7	374
Northern Trust	Chicago, IL	327,295	337,114	337,375	FMAC	31292G6L5	261
Northern Trust	Chicago, IL	592,050	609,812	610,284	FMAC	31292G1Q7	472
Northern Trust	Chicago, IL	426,740	439,542	439,882	FMAC	31292G3F1	340
Northern Trust	Chicago, IL	406,717	418,919	419,243	FMAC	31292G3G9	324
Northern Trust	Chicago, IL	452,344	465,914	466,275	FMAC	312929GP1	361
Northern Trust	Chicago, IL	325,416	335,178	335,439	FMAC	312929JS2	261
Northern Trust	Chicago, IL	512,317	527,687	528,096	FMAC	312929ND0	409
Northern Trust	Chicago, IL	490,058	504,760	505,151	FMAC	312929PW6	391
Northern Trust	Chicago, IL	457,007	470,717	471,082	FMAC	312928QQ0	365
Northern Trust	Chicago, IL	464,615	478,553	478,925	FMAC	312928R55	372
Northern Trust	Chicago, IL	420,904	433,531	433,867	FMAC	312928SH8	336
Northern Trust	Chicago, IL	461,430	475,273	475,641	FMAC	312928UT9	368
Northern Trust	Chicago, IL	586,630	604,229	604,697	FMAC	312927S49	468
Northern Trust	Chicago, IL	368,792	379,856	380,150	FMAC	312927B88	294

STATE OF NEW MEXICO
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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 299,822	308,817	309,056	FMAC	3129262E7	239
Northern Trust	Chicago, IL	355,907	366,584	366,868	FMAC	3128QJD94	284
Northern Trust	Chicago, IL	472,551	486,728	487,105	FMAC	3128QJYM2	377
Northern Trust	Chicago, IL	388,415	400,067	400,377	FMAC	3128PNBZ0	310
Northern Trust	Chicago, IL	351,118	361,652	361,932	FMAC	3128PM6J4	280
Northern Trust	Chicago, IL	452,924	466,512	466,873	FMAC	3128PLPL0	361
Northern Trust	Chicago, IL	310,944	320,272	320,520	FMAC	3128PG6M0	248
Northern Trust	Chicago, IL	306,356	315,547	315,792	FMAC	3128PB4H14	245
Northern Trust	Chicago, IL	332,558	342,535	342,800	FMAC	3128P7HE6	265
Northern Trust	Chicago, IL	334,772	344,815	345,082	FMAC	3128P7K69	267
Northern Trust	Chicago, IL	482,472	496,946	497,331	FMAC	3128P7G23	385
Northern Trust	Chicago, IL	457,383	471,104	471,469	FMAC	3128P7A86	365
Northern Trust	Chicago, IL	534,957	551,006	551,432	FMAC	3128P7GW7	426
Northern Trust	Chicago, IL	504,324	519,454	519,856	FMAC	3128P7GA5	402
Northern Trust	Chicago, IL	488,451	503,105	503,494	FMAC	3128P7FL2	389
Northern Trust	Chicago, IL	410,863	423,189	423,517	FMAC	3128P7J79	328
Northern Trust	Chicago, IL	432,486	445,461	445,806	FMAC	3128P7EF6	345
Northern Trust	Chicago, IL	357,827	368,562	368,848	FMAC	3128P7LX9	286
Northern Trust	Chicago, IL	368,719	379,781	380,075	FMAC	3128P7H22	294
Northern Trust	Chicago, IL	407,009	419,219	419,544	FMAC	3128N5SL4	325
Northern Trust	Chicago, IL	572,379	589,550	590,007	FMAC	3128MMAX1	457
Northern Trust	Chicago, IL	307,338	316,558	316,803	FMAC	3128MMJU8	245
Northern Trust	Chicago, IL	395,587	407,455	407,770	FMAC	3128MMBR3	315
Northern Trust	Chicago, IL	447,602	461,030	461,387	FMAC	3128MMBS1	357
Northern Trust	Chicago, IL	356,933	367,641	367,926	FMAC	3128MMHS5	285
Northern Trust	Chicago, IL	374,083	385,305	385,604	FMAC	3128MJHK9	299
Northern Trust	Chicago, IL	379,117	390,491	390,794	FMAC	3128MJCW8	303
Northern Trust	Chicago, IL	298,764	307,727	307,965	FMAC	3128MJBV1	238
Northern Trust	Chicago, IL	388,018	399,659	399,968	FMAC	3128MJBX7	309
Northern Trust	Chicago, IL	582,800	600,284	600,750	FMAC	3128MCE35	466
Northern Trust	Chicago, IL	406,176	418,361	418,686	FMAC	3128MCCA1	325
Northern Trust	Chicago, IL	329,531	339,417	339,680	FMAC	3128MBSC7	263
Northern Trust	Chicago, IL	356,744	367,446	367,731	FMAC	3128MBLQ8	285
Northern Trust	Chicago, IL	585,665	603,235	603,703	FMAC	3128MBM20	468
Northern Trust	Chicago, IL	594,195	612,021	612,496	FMAC	3128MBSM0	475
Northern Trust	Chicago, IL	406,482	418,676	419,001	FMAC	3128MBU39	325
Northern Trust	Chicago, IL	630,631	649,550	650,054	FMAC	3128MBG1T8	504
Northern Trust	Chicago, IL	396,448	408,341	408,658	FMAC	3128MBHIC4	317
Northern Trust	Chicago, IL	592,478	610,252	610,725	FMAC	3128MBC1P0	473
Northern Trust	Chicago, IL	305,735	314,907	315,151	FMAC	3128MBQ1T7	244
Northern Trust	Chicago, IL	391,575	403,322	403,635	FMAC	3128M71LK0	313
Northern Trust	Chicago, IL	336,420	346,513	346,781	FMAC	3128M6NU8	268
Northern Trust	Chicago, IL	313,449	322,852	323,103	FMAC	3128M6RU4	251
Northern Trust	Chicago, IL	348,329	358,779	359,057	FMAC	3128M6LZ9	278
Northern Trust	Chicago, IL	357,358	368,079	368,364	FMAC	3128M6FN3	285
Northern Trust	Chicago, IL	404,184	416,310	416,632	FMAC	3128M6E1E4	322
Northern Trust	Chicago, IL	565,356	582,317	582,769	FMAC	3128M6NJ3	452
Northern Trust	Chicago, IL	446,436	459,829	460,186	FMAC	3128M5EP1	357
Northern Trust	Chicago, IL	449,843	463,338	463,698	FMAC	3128M5Q252	360
Northern Trust	Chicago, IL	601,453	619,497	619,976	FMAC	3128M4VX8	479
Northern Trust	Chicago, IL	601,347	619,387	619,868	FMAC	3128M4YH0	481
Northern Trust	Chicago, IL	360,527	371,343	371,631	FMAC	3128M4SR5	288
Northern Trust	Chicago, IL	363,387	374,289	374,578	FMAC	3128M4XF5	289
Northern Trust	Chicago, IL	426,146	438,930	439,271	FMAC	3128M1P29	341
Northern Trust	Chicago, IL	444,932	458,280	458,635	FMAC	3128M1CR8	355
Northern Trust	Chicago, IL	630,765	649,688	650,192	FMAC	3128LXCQ94	504
Northern Trust	Chicago, IL	336,322	346,412	346,680	FMAC	3128LXNB2	268

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Schedule 10 - continued

Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 310,280	319,588	319,836	FMAC	3128LXHIR4	248
Northern Trust	Chicago, IL	479,454	493,838	494,220	FMAC	3128JDAL8	382
Northern Trust	Chicago, IL	499,729	514,721	515,120	FMAC	3128L6TB5	399
Northern Trust	Chicago, IL	345,931	356,309	356,585	FMAC	3128L5QF1	276
Northern Trust	Chicago, IL	512,830	528,215	528,624	FMAC	3128L5AY7	409
Northern Trust	Chicago, IL	583,662	601,172	601,638	FMAC	3128L15U0	466
Northern Trust	Chicago, IL	342,283	352,551	352,825	FMAC	3128KWT78	274
Northern Trust	Chicago, IL	484,004	498,524	498,910	FMAC	3128KWZG1	386
Northern Trust	Chicago, IL	423,527	436,233	436,571	FMAC	3128KVSG1	338
Northern Trust	Chicago, IL	417,290	429,809	430,142	FMAC	3128KTM31	333
Northern Trust	Chicago, IL	464,273	478,201	478,572	FMAC	3128KQD78	371
Northern Trust	Chicago, IL	433,530	446,536	446,882	FMAC	3128KLZF7	346
Northern Trust	Chicago, IL	344,583	354,920	355,196	FMAC	3128KHV45	276
Northern Trust	Chicago, IL	624,394	643,126	643,625	FMAC	3128KHHB5	499
Northern Trust	Chicago, IL	442,069	455,331	455,684	FMAC	3128KHGD2	353
Northern Trust	Chicago, IL	577,367	594,688	595,149	FMAC	3128KEC68	461
Northern Trust	Chicago, IL	393,505	405,310	405,624	FMAC	3128KCYL5	314
Northern Trust	Chicago, IL	593,067	610,859	611,333	FMAC	3128K9DE1	474
Northern Trust	Chicago, IL	384,937	396,485	396,792	FMAC	3128K8FS0	307
Northern Trust	Chicago, IL	307,724	316,956	317,201	FMAC	3128K7DW5	245
Northern Trust	Chicago, IL	513,428	528,831	529,240	FMAC	3128K3A23	409
Northern Trust	Chicago, IL	340,714	350,935	351,208	FMAC	3128JRP2	273
Northern Trust	Chicago, IL	522,506	532,956	533,369	FMAC	3128H74S8	413
Northern Trust	Chicago, IL	469,937	479,336	479,707	FMAC	3128H6GM0	371
Northern Trust	Chicago, IL	414,228	422,513	422,841	FMAC	3128H5AL0	328
Northern Trust	Chicago, IL	341,448	348,277	348,546	FMAC	3128H4D22	269
Northern Trust	Chicago, IL	318,980	325,360	325,612	FMAC	3128GXQ33	252
Northern Trust	Chicago, IL	337,496	344,246	344,513	FMAC	3128GXX50	267
Northern Trust	Chicago, IL	344,777	351,673	351,945	FMAC	3128GWPH5	272
Northern Trust	Chicago, IL	485,079	494,781	495,164	FMAC	3128GW4Y1	383
Northern Trust	Chicago, IL	368,651	376,024	376,315	FMAC	3128GWAT5	291
Northern Trust	Chicago, IL	391,349	399,176	399,485	FMAC	3128GVUR9	309
Northern Trust	Chicago, IL	366,217	373,541	373,830	FMAC	3128GPK36	289
Northern Trust	Chicago, IL	303,803	309,879	310,119	FMAC	3128GJRP3	240
Northern Trust	Chicago, IL	371,409	378,837	379,131	FMAC	3128GH2Q3	294
Northern Trust	Chicago, IL	409,791	422,085	422,412	FMAC	3128E4DJ8	327
Northern Trust	Chicago, IL	401,902	413,959	414,280	FMAC	3128F25M4	321
Northern Trust	Chicago, IL	332,319	342,289	342,554	FMAC	3128H2SY3	265
Northern Trust	Chicago, IL	516,139	531,623	532,035	FMAC	3128CUME3	412
Northern Trust	Chicago, IL	436,930	450,038	450,386	FMAC	3128CUMV5	348
Northern Trust	Chicago, IL	565,727	582,699	583,150	FMAC	3128CUKB1	451
Northern Trust	Chicago, IL	573,752	590,965	591,423	FMAC	3128CUKV7	458
Northern Trust	Chicago, IL	399,281	411,259	411,579	FMAC	31288GDU3	320
Northern Trust	Chicago, IL	512,349	527,719	528,128	FMAC	31288DVY2	409
Northern Trust	Chicago, IL	527,259	543,077	543,498	FMAC	31287PNJ8	421
Northern Trust	Chicago, IL	315,067	324,519	324,771	FMAC	31283YFX1	252
Northern Trust	Chicago, IL	483,994	493,674	494,057	FMAC	31283KT32	383
Northern Trust	Chicago, IL	627,968	646,807	647,309	FMAC	31283K6E3	502
Northern Trust	Chicago, IL	359,650	366,843	367,127	FMAC	31283K5Q7	284
Northern Trust	Chicago, IL	519,351	529,738	530,148	FMAC	31283K6V5	410
Northern Trust	Chicago, IL	466,319	480,309	480,681	FMAC	31283K6G8	372
Northern Trust	Chicago, IL	331,286	337,912	338,173	FMAC	31283KQY7	261
Northern Trust	Chicago, IL	502,320	517,390	517,791	FMAC	312831FF59	401
Northern Trust	Chicago, IL	391,596	403,344	403,657	FMAC	31283HBL8	313
Northern Trust	Chicago, IL	360,042	367,243	367,528	FMAC	31282R5R1	285
Northern Trust	Chicago, IL	333,193	339,857	340,121	FMAC	31282R4S0	264

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Schedule of Collateral Pledged by Depository - continued

YEAR ENDED JUNE 30, 2009

REPURCHASE AGREEMENTS:

Name of Custodian	Location of Custodian	Repurchase Agreements per Financial Statement	Collateral Required	Collateral Pledged Mortgage Backed Securities (MBS) *	Issuer	CUSIP Number	Excess (Under) Collateralized
Northern Trust	Chicago, IL	\$ 612,969	625,228	625,713	FMAC	31282R3N2	485
Northern Trust	Chicago, IL	<u>435,930</u>	<u>449,008</u>	<u>449,348</u>	FNMA	31417YE29	<u>340</u>
Total		\$ <u>849,000,000</u>	<u>873,101,254</u>	<u>873,777,989</u>			\$ <u>676,735</u>

Reconciliation to Financial Statements:

Repurchase agreements reported in Debt Service Funds, page 17	\$ 232,629,658
Repurchase agreements reported in Statement of Fiduciary Net Assets, page 23	<u>616,370,342</u>

Total repurchase agreements **\$ 849,000,000**

* Mortgaged Backed Securities is a type of asset backed security that is secured by a mortgage or collection of mortgages.

SCHEDULE OF FINDINGS AND RESPONSES

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND
COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Honorable Bill Richardson, Governor
State Board of Finance
Honorable James B. Lewis, State Treasurer
Honorable Hector H. Balderas, State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of the State of New Mexico, Office of the State Treasurer (State Treasurer), as of and for the year ended June 30, 2009, which collectively comprise the State Treasurer's basic financial statements, and have issued our report thereon dated December 14, 2009. We have also audited the fiduciary funds, presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2009, as listed in the table of contents. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State Treasurer's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State Treasurer's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State Treasurer's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph, and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions,

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An Independent Member of the BDO Seidman Alliance

Honorable Bill Richardson, Governor
State Board of Finance
Honorable James B. Lewis, State Treasurer
Honorable Hector H. Balderas, State Auditor
Santa Fe, New Mexico

Internal Control Over Financial Reporting - continued

to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the State Treasurer's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State Treasurer's financial statements that is more than inconsequential will not be prevented or detected by the State Treasurer's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. Significant deficiencies are described in the accompanying schedule of findings and responses as item 07-04.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State Treasurer's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07-04 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State Treasurer's basic financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such as opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 09-01 through 09-07 and 07-04, 07-05, 07-06 and 07-08.

Honorable Bill Richardson, Governor
State Board of Finance
Honorable James B. Lewis, State Treasurer
Honorable Hector H. Balderas, State Auditor
Santa Fe, New Mexico

Compliance and Other Matters - continued

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision*, paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 07-04, 07-05, 07-06 and 07-08.

The State Treasurer's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the State Treasurer's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management of the State Treasurer, the State of New Mexico Office of the State Auditor, the New Mexico Legislature, the New Mexico DFA, and other federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Meyners + Company, LLC

December 14, 2009

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2009-01 PER DIEM PAYMENT

Condition: During control test work, we noted that one out of 25 employees was improperly paid a partial day per diem in violation of NMAC 2.42.2.8, resulting in an additional \$12 payment and one out of 25 was paid reimbursement without appropriate evidence of review and approval.

Criteria: Employee per diem should conform to applicable travel and per diem rules as noted in NMAC 2.42.2.8 and employee per diem should indicate proper approval and review, per NMSA 1978, Section 6-5-8 and Manual of Model Accounting Practices

Cause: Inefficiencies by management to detect improper per diem payment and to indicate proper review and approval.

Effect: Failures of internal control may prevent proper payment of per diem and travel reimbursement.

Recommendation: We recommend that management receives training on how to comply with the travel and per diem policy and on proper review and approval processes for the reimbursement process.

State Treasurer's Office Response: The State Treasurer's Office did pay an employee partial day per diem in error. The employee did not exceed the two hours beyond their normal work day, and received an additional \$12 of per diem. State Treasurer's Office management will continue to review all per diem in a more diligent manner. The State Treasurer has established procedures regarding pre-approval on travel. The Division Director and CFO approve the request authorizing the travel. During the period tested, the Division Director position was vacant and the CFO was on leave.

2009-02 TIMESHEET HOURS AND AUTHORIZATION

Condition: During control test work, we noted that authorizing signatures did not appear on one out of 25 timesheets tested. Three out of 25 employee pay receipt hours did not trace to the employee's timesheet.

Criteria: Internal controls over payroll should include review of timesheets to ensure proper compensation for actual hours worked, per Section 10-9-7, NMSA 1978 and Manual of Model Accounting Practices HR4, F7.

Cause: Inefficiencies by management to indicate proper review and approval.

Effect: Failure of internal control may result in misstatement of employee compensation.

Recommendation: We recommend that management receives training on proper review and approval.

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

Schedule of Findings and Responses - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2009-02 TIMESHEET HOURS AND AUTHORIZATION - continued

State Treasurer's Office Response: The Human Resources Bureau will train/re-train all employees on the entry of their time into SHARE. Supervisors will be trained in the approval of their employees' time. Hard copy timesheets will still be required/turned into and maintained by the HR Bureau. The HR Bureau will compare payable time on the hardcopy timesheet to what has been entered/ approved in SHARE to assure proper coding/payment of hours claimed for each pay period.

2009-03 CAPITAL ASSET INVENTORY AND DISPOSITION

Condition: We noted that the disposal of items capable of storing digital media was not accompanied by an erasure certification, and client was unable to provide inventory certification for annual inspection of capital assets.

Criteria: NMAC Subsection Y of 2.2.2.10 states that prior to disposition of property on the agency inventory, written notification of the official finding and proposed disposition must be sent to the State Auditor. It is a special requirement of the State Auditor that the letter also include an erasure certification stating that any disposed of computers were properly sanitized. Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

Cause: Management was unaware or did not comply with state statutes regarding the erasure of computer hard drives and conducting of periodic inventory.

Effect: The State Treasurer's Office did not comply with the special requirement of the State Auditor regarding sanitization of digital media. The State Treasurer's Office is in violation of NM state law governing the accounting for capital assets.

Recommendation: We recommend that management receives training on proper disposal of state assets and that management improves procedures to ensure that capital assets are properly accounted for.

State Treasurer's Office Response: The State Treasurer's Office did not provide an erasure certification to the State Auditor in a timely manner. The State Treasurer's Office has complied with this procedure for the fiscal year FY 10. In reference to the letter of 10-07-09 regarding the items disposed of in FY 09, the CIO of the State Treasurer's Office has certified that the items disposed of in FY 09 were erased. The State Treasurer's Office did not provide a certification of an annual inventory. The State Treasurer's Office has planned a semi-annual inventory to be taken on December 31st and June 30th of each fiscal year.

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2009-04 INVESTMENT POLICY VIOLATIONS

Condition: The State Treasurer's Office did not notify the investment committee in writing within one business day of the decrease in rating of two corporate bonds below investment grade, and at June 30, 2009, the client held four asset-backed securities totaling \$136,951,452 (all mortgage-backed securities) in the general fund investment pool and two in each of the bond proceeds investment pools totaling \$239,041,876 that were unrated at the time of purchase.

Criteria: Section VI, subsection F, paragraph 2, sub-paragraph c of the State Treasurer's investment policy requires investments in corporate bonds with maturities up to three years to have ratings of A1 or better at the time of purchase, and for those with maturities between three and five years to be rated AA or better at the time of purchase. The State Treasurer must communicate any decrease in rating below investment grade to the investment committee within one business day of the change in rating. Section VI, subsection F, paragraph 2, sub-paragraph d of the State Treasurer's Investment policy requires investments in asset backed obligations to be rated AAA at the time of purchase.

Cause: Lack of an effective system for communicating changes in ratings of securities below investment grade to investment committee in a timely manner and miscommunication among management over what constitutes a United States Government Obligation and what constitutes an asset-backed obligation.

Effect: The State Treasurer's Office is in violation of Section VI, subsection F, paragraph 2, sub-paragraph c of the State Treasurer's investment policy and Section VI, subsection F, paragraph 2, sub-paragraph d of the State Treasurer's investment policy.

Recommendation: We recommend management implement a procedure in which ratings of securities are continuously tracked to determine if they fall below investment grade. We further recommend that a procedure be implemented to ensure that such changes are communicated to the State Treasurer and the investment committee immediately upon change in rating.

State Treasurer's Office Response: The Office of the State Treasurer (STO) researched the above-mentioned corporate bonds. Both bonds are issued by American International Group (AIG) or its subsidiary. The bonds were purchased on September 17, 2007 and were rated 'A+' by S&P or 'A1' by Moody's at the time of purchase. On September 15, 2008, the bonds were downgraded to 'BBB' and Baa1, respectively. These ratings are considered to be below investment grade. According to the minutes of the October 15, 2008 meeting of the State Treasurer's Investment Committee (STIC), Mr. Scott Newman reported the following in the Economic Outlook portion of the meeting:

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2009-04 INVESTMENT POLICY VIOLATIONS - continued

State Treasurer's Office Response - continued:

Newman provided a chronological review of how the events of September affected STO portfolios. Throughout the month, the Treasurer and Deputy Treasurer were provided updates, options and recommendations, while STO portfolio managers continuously monitored the market. Mr. Newman described STO exposure to AIG and STO's decision to hold the \$15 million position because the bonds continue to pay interest coupons and, based on AIG's bailout, STO expects that they will mature.

The Office of the State Treasurer has taken action to reclassify the mortgage-backed securities holdings to the category of Asset Backed Securities, rather than Agency securities, which is where they were first categorized. This classification took place on September 16, 2009. Additionally, the State Treasurer's Office has formed an Investment Policy Review Committee to review not only the investment policy, but procedural issues, one of which is criteria for categorizing new securities. The first meeting of this committee took place on September 14, 2009. The State Treasurer's Office estimates that the revised policy will be brought before the State Board of Finance for approval in the first quarter of 2010.

2009-05 RECORDING OF FIDUCIARY FUNDS

Condition: When the LGIP's investment in The Reserve Primary Fund was bifurcated and placed in the Reserve Contingency Fund (a new fund tracked internally through the State Treasurer's investment accounting software, QED), a separate fund was not created within SHARE to capture that investment. As a result, when LGIP investments balances within SHARE were adjusted to reflect new QED balances, The Reserve Primary Fund investment was not included because it was placed in a separate fund in QED, which was not being reconciled to a SHARE fund since it did not have a corresponding SHARE fund.

Criteria: All fiduciary funds held on behalf of other governmental entities should be recorded in SHARE as well as on internal investment tracking system - QED.

Cause: Lack of procedure to ensure that all investments tracked internally on QED are properly recorded within SHARE.

Effect: Fiduciary assets not recorded in SHARE.

Recommendation: We recommend that investment accounting develop a reconciliation system to ensure that all investments administered by the State Treasurer's Office are reflected both on the State Treasurer's internal investment accounting system (QED) as well as on SHARE.

Schedule of Findings and Responses - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2009-05 RECORDING OF FIDUCIARY FUNDS - continued

State Treasurer's Office Response: The Office has submitted documentation to create the Reserve Contingency Fund in SHARE. The Office has a procedure to reconcile all investment activity to the external accounting system (SHARE) and the internal investment accounting system (QED). The Investment Division is developing procedures to reconcile the newly established fund in QED.

2009-06 REPORTING OF ADDITIONS AND DEDUCTIONS TO FIDUCIARY FUNDS

Condition: The State Treasurer's Office did not segregate gross total additions to and deductions from fiduciary funds for the financial statement presentation. The information regarding additions to and deductions from individual accounts is available, but the information is not readily available in total.

Criteria: GASB Statement 34.109 requires that additions and deductions from fiduciary funds be reported as gross rather than net numbers.

Cause: The current accounting system does not provide the information required to report gross total additions and deductions from fiduciary funds for financial statement presentation, although the information is available on an account by account basis. Segregating the information is time and cost prohibitive to the State Treasurer's Office.

Effect: The State Treasurer's Office is not reporting the additions to and deductions from fiduciary funds as gross amounts for financial statement presentation.

Recommendation: We recommend that the State Treasurer's Office perform a reconciliation of the gross total additions to and deductions from fiduciary funds in preparation for presenting their June 30, 2009 financial statements. In addition, we recommend that the Office uses two separate general ledger account numbers for additions to and deletions from fiduciary accounts, so the information is readily available for future financial statement presentations.

State Treasurer's Office Response: The Office agrees with the finding. The accounting information in the Statement of Changes in Fiduciary Net Assets should be reported as gross total additions and deductions and not as net information. The Office continues to work with the investment accounting system IT staff (QED) to produce the necessary report.

Schedule of Findings and Responses - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2009-07 CROSS-TRAINING

Condition: The State Treasurer's Office relies heavily on one employee to ensure that investment and debt service transactions are properly initiated and recorded on the general ledger. Were this individual to leave the Office, there is a risk that these transactions would not be initiated/recorded in a timely manner, or that they would be recorded erroneously.

Criteria: 2.20.5.8.C. NMAC defines the responsibilities of the Chief Finance Officer. One of those responsibilities is to ensure that an internal control structure exists at the State agency and is functioning properly. Part of that internal control structure is to ensure that new hires have written business practices to follow in carrying out their assigned functions.

Cause: Currently, there has been no cross-training in this function.

Effect: Errors may be recorded in the general ledger and go undetected, which could lead to a material misstatement of the State Treasurer's financial statements.

Recommendation: We recommend the State Treasurer develop and implement policies and procedures to document business practices to assist in the transfer of knowledge to anticipate potential staff turnover.

State Treasurer's Office Response: The State Treasurer is in agreement with the recommendation to cross-train employees. A formal plan will be developed, scheduling cross-training of employees, to ensure the continuity of work in the event of an employee resignation, illness or other absence. The first priority will be cross-training for critical positions, followed by training for other position responsibilities.

2007-04 DAILY AUTO RECONCILIATION PROCESS REQUIRES MANUAL INTERVENTION (Material Weakness)

Condition: The purpose of the State Treasurer's Office's daily auto reconciliation process is to identify differences between the bank's activity and the transactions recorded in the Cash Management Module and subsequently in the general ledger. We noted that this reconciliation process is not always automatic and takes manual intervention to reconcile bank transactions to the Cash Management Module. We noted:

1. ACH and wire transactions are not automatically reconciled by the SHARE accounting system. The State Treasurer's Office must manually research and reconcile each one of these transactions.

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2007-04 DAILY AUTO RECONCILIATION PROCESS REQUIRES MANUAL INTERVENTION (Material Weakness) - continued

2. Wire authorization reference (form) numbers issued by the DFA do not always agree to bank transaction reference number. The State Treasurer's Office must manually research and reconcile each one of these transactions.
3. ACH returns (errors in routing numbers, bank account number or payee, or account closure) are not automatically reconciled in SHARE. Each state agency must research and identify all ACH return activity and restore cash. Agencies do not always provide supporting documentation to the State Treasurer's Office. The State Treasurer's Office must manually research and reconcile each one of these transactions.
4. Bank encoding errors occur. For example, the bank may have encoded an amount that does not match the issued warrant amount. The State Treasurer's Office must manually research and reconcile each one of these transactions.
5. SHARE does not provide a sufficient audit trail to identify multiple bank transactions against one deposit recorded in SHARE. The State Treasurer's Office must manually research and reconcile each one of these transactions.

Criteria: The State Treasurer is responsible for reconciling the state's daily bank transactions per the fiscal agent bank to the general ledger.

Cause: Current business processes and the SHARE system functionality precluded The State Treasurer's Office from effectively and efficiently reconciling daily bank activity to the cash module and general ledger.

Effect: The State Treasurer's Office must perform a manual reconciliation to clear transactions that did not auto-reconcile which is a labor intensive and time consuming process. Unreconciled cash transactions may or may not have a general ledger impact.

Recommendation: We recommend the State Treasurer's Office review and change business processes and reconfigure the SHARE accounting system functionality to improve the daily bank reconciliation process.

State Treasurer's Office Response: The Legislature funded a project to streamline the reconciliation processes (the "Streamline Banking Project"), which includes addressing the issues that are resulting in the need for manual intervention. The project began on July 1, 2009, and is estimated to be complete by June 30, 2010. The project team, which includes staff from STO and DFA, has identified the system configuration and the modifications that will be needed to address this condition.

Schedule of Findings and Responses - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2007-05 WARRANTS NOT STALE DATED – Repeated and Modified

Condition: The SHARE accounting system does not have a mechanism in place to identify stale dated warrants and to reestablish cash. The transaction date (date warrant was issued) is greater than the bank redeemed date by one year or more.

Criteria: A stale dated warrant is an unredeemed warrant which was issued more than one year prior to the current date. A stale dated warrant is expired and the original instrument is no longer negotiable.

Cause: Before the stale dated warrant process can be implemented, outstanding warrant data must be verified. In the past, a lack of resources has prevented this.

Effect: The State Treasurer's Office must reconcile all stale dated warrants presented for payment on a daily basis. The State Treasurer's Office is honoring all stated warrants at this time.

Recommendation: We recommend that the State Treasurer's Office work with the DFA to develop a process whereby warrants issued by the State can be stale dated and cash can be restored automatically by the SHARE accounting system.

State Treasurer's Office Response: The task of verifying outstanding warrant data has been included as part of the Streamline Banking Project.

2007-06 WARRANT CANCELLATIONS PROCESS INCONSISTENCE FOR THIRD PARTY WARRANT ISSUING STATE AGENCIES – Repeated and Modified

Condition: The warrant cancellation process for a State agency that issues a third party warrant is not always consistent.

Criteria: A third party warrant is a negotiable instrument issued by a State agency that is authorized to issue its own warrants (i.e., Human Services Department, Taxation and Revenue Department, Department of Workforce Solutions). The warrant cancellation process must be consistent to facilitate the reconciliation process between the bank table and the cash management module.

Cause: The business processes for recording warrants by third party warrant issuing State agencies has not been developed.

Effect: The status of a warrant (issued or cancelled) is not always posted to the general ledger in a timely manner.

Schedule of Findings and Responses - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2007-06 WARRANT CANCELLATIONS PROCESS INCONSISTENCE FOR THIRD PARTY WARRANT ISSUING STATE AGENCIES – Repeated and Modified - continued

Recommendation: We recommend that the State Treasurer's Office and the DFA work with third party warrant issuing State agencies to develop and implement business processes to ensure consistency in recording warrant transactions.

State Treasurer's Office Response: The Streamline Banking Project team has included a task in the project plan to develop a standard warrant cancellation process and to migrate the process to the state agencies. It is estimated that the process will be fully implemented by June 30, 2010.

2007-08 CASH OVERDRAFTS

Condition: The State's bank account was overdrawn with the State's fiscal agent Bank of America on the following dates:

June 17, 2009	\$ 6,214,663
April 10, 2009	\$19,343,251
February 12, 2009	\$92,152,046
February 5, 2009	\$16,423,693
August 14, 2008	\$ 803,723
July 10, 2008	\$13,547,139

Criteria: Chapter 8-6-3.1 NMSA 1978 states that one of the duties of the state's cash manager (under the direction of the State Treasurer) includes the "projection of the state's short-term and long-term cash needs to determine the amount available for short-term and long-term investment."

Cause: The Investment Division of the State Treasurer's Office was not notified of certain ACH transactions by a state agency that were scheduled for payment by the State's fiscal agent and as a result, insufficient cash balances were on hand after the overnight investment purchase had been made.

Effect: The State's fiscal agent does not cover overdrafts.

Recommendation: We recommend that State Treasurer work with the DFA and other state agencies to develop and implement a business process to inform the State Treasurer's Office when the settlement of ACH payments are to occur. This would provide the State Treasurer with the information needed to formulate a reasonable cash projection for daily activity.

Schedule of Findings and Responses - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

2007-08 CASH OVERDRAFTS - continued

State Treasurer's Office Response: The State Treasurer's Office has implemented the "Cash Forecasting Management Project", which includes a cash flow model of actual receipts and disbursements for the last three calendar years and is updated monthly to validate projection of daily cash balances. This allows the State Treasurer's Office to more accurately determine daily cash positioning and avoid overdrafts.

In addition, the Treasurer's Office is working in conjunction with the Department of Finance and the fiscal agent to modify current business processes to ensure that the correct "effective date" is used on ACH disbursement files.

Although the State Treasurer's Office concurs with the significance of this condition, the State Treasurer's Office does not accept sole responsibility for the occurrence of this condition. However, the collaborative effort between the Department of Finance and the State Treasurer's Office to modify current business processes will correct this condition.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Summary Schedule of Prior Year Audit Findings

2006-04	Controls Over Information Systems – Resolved
2007-04	Daily Auto Reconciliation Process Requires Manual Intervention (Material Weakness) – Repeated and Modified
2007-05	Warrants Not Stale-Dated – Repeated and Modified
2007-06	Warrant Cancellations Process Inconsistence for Third Party Warrant Issuing State Agencies – Repeated and Modified
2007-07	Self-Earning Interest Distributed to Wrong Account and Distributions Were Not Timely – Resolved
2007-08	Cash Overdrafts – Repeated and Modified
2007-09	Monies Not Reverted to State General Fund – Resolved
2008-01	Confirmation of State Agencies Investment in the State General Fund Investment Pool – Resolved

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER**

Exit Conference

An exit conference was held with the State Treasurer's Office on December 14, 2009. The conference was held at the State Treasurer's offices in Santa Fe, New Mexico. In attendance were:

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER

James B. Lewis, State Treasurer
Mark F. Valdes, Deputy State Treasurer
Sheila Duffy, Chief Investment Officer, Investment Division Director
Orlando Romero, State Cash Manager, Cash Management Division
Clarence L. Smith, Chief Operations Officer, Operations Division
Ronald Crespín, Finance & Budget Bureau Chief
Patricia J. Ortiz, Finance & Budget Financial Analyst
Willie Ryan, Human Resources

MEYNNERS + COMPANY, LLC

Janet Pacheco-Morton, CPA, CGFM, Assurance Director
Joel Blackman, CPA, Assurance Senior Auditor

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor and were reviewed and approved by the State Treasurer's Office. However, the financial statements remain the responsibility of management, as addressed in the Independent Auditors' Report. Management reviewed and approved the financial statements.