



STATE OF NEW MEXICO STATEWIDE COST ALLOCATION PLAN SECTION II: BILLED SERVICES

Based on Actual Expenditures
For the Fiscal Year Ended June 30, 2023



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CERTIFICATE OF COST ALLOCATION PLAN

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

Certificate of Cost Allocation Plan

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in the FY 2025 Statewide Cost Allocation Plan to establish cost allocations or billings for the fiscal year beginning July 1, 2024 and ending June 30, 2025 are allowable in accordance with the requirements of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.
- (2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Governmental Unit: State of New Mexico

Signature: _____



Name of Official: Mark Melhoff

Title: _____

Acting State Controller

Date of Execution: _____

3.29.2024

OFFICE OF THE STATE AUDITOR

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

Office of the State Auditor

I. Service Description

The Office of the State Auditor is responsible for the annual audit of the financial affairs of every governmental agency in the State in accordance with auditing standards generally accepted in the United States of America, and the performance of special audits as needed. The State Auditor uses Office personnel or independent auditors approved by the Office to perform required audits. The procurement of designated independent public accountants by state agencies is regulated and overseen by the Office. The Office provides training to government agencies and independent public accountants regarding the procurement process and applicable accounting and auditing standards. To ensure quality audits, the Office subjects all audit reports submitted by independent public accountants to a thorough review process before the reports are released and performs working paper reviews on selected audits.

II. Financial Statements

All financial activities of the Office of the State Auditor are recorded in the separate financial statements. Financial statements for the Office are prepared and published by the State Auditor's Office. The following exhibits are provided in this document:

1. Exhibit A: Statement of Net Position – the statement is presented in the State Auditor's financial statements on page 15.
2. Exhibit B: Statement of Activities – the statement is presented in the State Auditor's financial statements on page 16.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

Although the Office bills governmental agencies for some audit services it provides, the Office receives the majority of its funds from the State General Fund. The Office provides audited services at a lower amount than what private audit firms contracting with governmental entities charge.

VI. Billing Rates

The State Auditor's Office billing rates are established for each individual performing billable audit services. Rates include actual salary cost per individual plus and overhead rate. The average billing rate was \$120.00 per hour during the fiscal year ended June 30, 2023.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Imputed Interest Earnings – Interest earnings on cash balances of the fund are not recorded in the fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS) and 2 CFR, Part 200, Appendix V, imputed interest earnings have been calculated on the Fund's average cash balance utilizing the State Treasurer's average rate of return on short term investments for the year ended June 30, 2023. Exhibit D provides the calculation of the imputed interest earnings. Imputed interest income has been calculated on the average of beginning and ending cash balances and included in the reconciliations. The State does not agree with this method and hereby notifies DHHS that should the need arise may appeal the inclusion of the imputed revenue calculated in this manner in any calculation resulting in the payment of fund assets to the Federal government.
3. Treatment of Variances – Since the Office is approximately 85% funded by the General Fund, there are no positive variances.

This concludes the narrative information on the Office of the State Auditor. The previously noted exhibits are provided on the following pages.

**STATE OF NEW MEXICO
OFFICE OF THE STATE AUDITOR
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	FUND TOTAL
Assets:	
Current Assets:	
Petty Cash	\$0
Investment in General Fund Investment	1,567,484
Accounts Receivable, Net of Allowance	123,267
Due from Component Unit of the State	0
Due from Local Governments	0
Total Current Assets	<u>1,690,751</u>
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>594,990</u>
Total Assets	<u><u>\$2,285,741</u></u>
Liabilities:	
Current Liabilities	
Accounts Payable	127,765
Payroll Benefits Payable	27,099
Payroll Taxes Payable	15,477
Accrued Payroll	36,515
Settlement Payable	0
Due to State General Fund	0
Due to Other State Agencies	0
Due to Local Governments	0
Accrued Compensated Absences	209,725
Total Current Liabilities	<u>416,581</u>
Non Current Liabilities	
Due within one year	285,033
Due in more than one year	<u>298,171</u>
Total Liabilities	<u>999,785</u>
Net Assets:	
Invested in Capital Assets	11,786
Restricted	1,483,895
Unrestricted	<u>(209,725)</u>
Total Net Assets	<u><u>\$1,285,956</u></u>
Source of Information:	
State Auditor's Financial Statements and Independent Auditor's Report - Page 15	

**STATE OF NEW MEXICO
OFFICE OF THE STATE AUDITOR
STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2023**

	FUND TOTAL
Revenues	
Program Revenues	
Audit Services	\$229,500
Miscellaneous Revenue	0
General Revenues	
State General Fund Appropriation	3,459,100
State General Fund Sweep for Insurance Deficiency	(23,987)
Compensation Appropriation	245,600
Gain on Disposition of Property	0
Total Operating Revenues	<u>3,910,213</u>
Expenses	
Current Expenses	
Personal Services & Employee Benefits	\$3,318,611
Contractual Services	133,669
Special Item Settlement Expense	0
Loss on Disposition of Property	0
Interest	2,831
Other Costs	<u>207,218</u>
Depreciation	246,901
Total Operating Expenses	<u>3,909,230</u>
Operating Income (Loss)	<u>983</u>
Net Assets - Beginning of Year, as Previously Reported	1,284,973
Adjustments Applicable to Prior Year	<u>0</u>
Net Assets - End of Year	<u><u>\$1,285,956</u></u>
Source of Information:	
State Auditor's Financial Statements and Independent Auditor's Report - Page 16	

STATE OF NEW MEXICO
OFFICE OF THE STATE AUDITOR
RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$237,226)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Audit Services		\$229,500	
Miscellaneous Revenue		0	
State General Fund Appropriation		3,459,100	
State General Fund Special Appropriation		(23,987)	
Compensation Appropriation		245,600	
Gain on Disposition of Property		0	
Total Revenues			3,910,213
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses		3,662,329	
Depreciation		246,901	
Total Per Financial Statements			3,909,230
Deductions Unallowable Costs			
Provision for Losses		0	
Special Item Settlement Expense		0	
Less Capital Outlay \$5,000 or Greater		0	
Interest	(2,831)		
Other	0		
Total Deductions			(2,831)
Additional Allowable Costs			
FY 2023 SWCAP Costs	11,619		
Other	0		
Total Additions			11,619
Allowable Expenditures			3,918,018
Adjustments:			
Prior Period Adjustments		0	
Imputed Interest Earnings (Exhibit D)		(56,127)	
Total Adjustments			(56,127)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$188,904)
Allowable Reserve (60 days)	(B)		603,471
Excess Balance (A) - (B)			(792,375)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			0
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Other Financing Sources		0	
Plus: Transfers In		0	
Less: Transfers Out		0	
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$0

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			1,522,199
ADJUSTMENTS:			
Deductions Unallowable Costs		(2,831)	
Additional Allowable Costs		11,619	
Imputed Interest Earnings		(56,127)	
Total Adjustments			(47,339)
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$1,474,860

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	\$1,285,956
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STATE OF NEW MEXICO
OFFICE OF THE STATE AUDITOR
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

DESCRIPTION	AMOUNTS
A. Beginning Cash Balance - Balance on July 1, 2022	\$1,468,055
B. Ending Cash Balance - Balance on June 30, 2023	1,567,484
C. Average FY 2023 Cash Balance ((A+B)/2)	1,517,770
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$56,127

PERA – PUBLIC EMPLOYEES RETIREMENT FUND

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**Public Employees Retirement Association
Public Employees Retirement Fund**

I. Service Description

The Public Employees Retirement Association (PERA) administers the state's public employee retirement plans. PERA administers the following four plans/funds:

- Public Employees Retirement Fund (PERF) - The Fund is a cost-sharing, multiple employer defined benefit pension plan. The Fund has six divisions of members, including State General, State Police/Hazardous Duty, Municipal General, Municipal Police, Municipal Fire, and State Legislative Divisions; and offers 18 different coverage plans. Certain coverage plans are only applicable to a specific division. Eligibility for membership in PERF is set forth in State law. Each employee and elected official of every affiliated public employer is required to be a member, unless specifically excluded. All State employees are required to be a member in the Fund unless specifically excluded. Both members and their employers contribute to the Fund.
- Judicial Retirement Fund (JRF) - The Fund is a cost-sharing, multiple employer defined benefit pension plan. Eligibility for membership in JRF is set forth in State law. Every judge or justice becomes a member in the JRF upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Both members and their employers contribute to the Fund.
- Magistrate Retirement Fund (MRF) - The Fund is a cost-sharing, multiple employer defined benefit pension plan. Eligibility for membership in MRF is set forth in State law. Every judge magistrate becomes a member in the MRF upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Both members and their employers contribute to the Fund.
- Volunteer Firefighters Retirement Fund (VFRF) - The Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation. Eligibility for membership in VFRF is set forth in State law. Any volunteer, non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements set forth in the statute is eligible for membership in VFRF, unless specifically excluded.

Members do not make contributions to the Fund. State statutes require that the State Treasurer annually transfer funds from the Fire Protection Fund to VFRF.

- Deferred Compensation Plan (DCP) – The Plan permits employees to defer a portion of their income until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. PERA is the trustee of the Plan. However, the Plan is administered by a third party administrator acting under contract with PERA. The Administrator has authority to control and manage the operation of the Plan. As Plan trustee, PERA’s responsibility is to select investment options that are safe and provide a reasonable rate of return and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan.
- SSA Program – PERA administers Social Security Administrative Program (SSA Program) for the State of New Mexico through a general fund appropriation.

II. Financial Statements

PERA financial statements are prepared and published annually. A copy of PERA’s financial statements for the fiscal year ended June 30, 2023 is provided as a separate document. The following exhibits are provided in this document:

1. Exhibit A: Statements of Fiduciary Net Position – the statement is presented in PERA’s financial statements on pages 37 and 38.
2. Exhibit B: Statements of Changes in Fiduciary Net Position - the statement is presented in PERA’s financial statements on pages 39 and 40.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023 for the PERF. In accordance with statutes, the State Treasurer transferred in \$750,000 from the Fire Protection Fund to VFRF.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023 for any fund.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

Funding rates are developed based on information contained in the actuarial study of the various funds managed by PERA. In addition, costs associated with the administering the funds and allocations from the State-wide cost allocation plan are included in developing rates.

VI. Billing Rates

A description of the contribution percentages for each fund by members and their employers is provided in Note 1, General Description of the Association and Retirement Funds, Paragraph C beginning on page 40 of the PERA Financial Statements.

VII. Pension Fund Contribution Dates

Payments by employers are made on a payroll ending date. Thus, because of the variety of employers whose employees are enrolled, the Fund receives contributions on a daily basis. For State General Fund employees, the contributions are made on a bi-weekly basis.

VIII. Actuarial Report

PERA's actuarial report is provided as a separate document.

This concludes the narrative information on the Public Employees Retirement Association. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2023

	PUBLIC EMPLOYEE	JUDICIAL	MAGISTRATE	VOLUNTEER FIREFIGHTERS	DEFERRED COMP.	SSA PROGRAM	TOTAL
Assets:							
Cash	\$906,748,002	\$5,199,999	\$1,757,297	\$4,426,144	\$0	\$0	\$918,131,442
Cash & Cash Equivalents for 13th Che	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Receivables							
Accrued Investment Income	\$106,771,970	\$612,336	\$206,934	\$521,207	\$0	\$0	108,112,447
Contributions Receivable	21,297,802	0	0	0	0	0	21,297,802
Participant Loans Receivable	0	0	0	0	10,619,496	0	10,619,496
Accounts Receivable	0	100,000	100,000	0	25,000	0	225,000
Interfund Receivable	0	0	0	0	0	0	0
Total Receivables	<u>128,069,772</u>	<u>712,336</u>	<u>306,934</u>	<u>521,207</u>	<u>10,644,496</u>	<u>0</u>	<u>140,254,745</u>
Investment In State General Fund Poc	35,842,030	17,704,613	412,722	363,539	48,480	1,042	54,372,426
Investments, at Fair Value							
Domestic Equity	2,534,081,938	14,532,455	4,911,124	12,369,755	0	0	2,565,895,272
International Equity	1,454,628,673	8,342,006	2,819,112	7,100,560	0	0	1,472,890,351
Core Fixed Income	2,943,894,872	16,882,651	5,705,353	14,370,198	0	0	2,980,853,074
Global Fixed Income	355,978,615	2,041,466	689,897	1,737,658	0	0	360,447,636
Public REIT	328,019	1,881	636	1,601	0	0	332,137
Derivatives	7,640,599	43,817	14,808	37,296	0	0	7,736,520
Absolute Return - Credit	878,099,844	5,035,728	1,701,782	4,286,318	0	0	889,123,672
Absolute Return - Equity	810,634	4,649	1,571	3,957	0	0	820,811
Absolute Return - Real Assets	729,044	4,181	1,413	3,559	0	0	738,197
Absolute Return - Risk Parity	1,359,093,932	7,794,133	2,633,963	6,634,221	0	0	1,376,156,249
Bond Plus Alpha Engine	603,339,579	3,460,032	1,169,290	2,945,115	0	0	610,914,016
Private Equity Partnership	2,857,479,093	16,387,074	5,537,877	13,948,371	0	0	2,893,352,415
Private Debt Partnership	219,354,921	1,257,957	425,116	1,070,749	0	0	222,108,743
Real Estate Equity Partnership	1,011,661,839	5,801,679	1,960,630	4,938,281	0	0	1,024,362,429
Real Estate Debt Partnership	120,833,940	692,959	234,180	589,833	0	0	122,350,912
Real Asset Partnership	1,301,305,746	7,462,729	2,521,968	6,352,136	0	0	1,317,642,579
Mutual Funds	0	0	0	0	396,342,751	0	396,342,751
LifeCycle Funds	0	0	0	0	230,909,393	0	230,909,393
Stable Value Option, at Contract V	0	0	0	0	130,434,046	0	130,434,046
Self Directed Option	0	0	0	0	11,189,669	0	11,189,669
Subtotal	<u>15,685,103,318</u>	<u>107,450,010</u>	<u>30,741,442</u>	<u>76,753,147</u>	<u>768,924,339</u>	<u>1,042</u>	<u>16,668,973,298</u>
Securities Lending Collateral	<u>345,591,569</u>	<u>1,981,898</u>	<u>669,766</u>	<u>1,686,956</u>	<u>0</u>	<u>0</u>	<u>349,930,189</u>
Total Investments	<u>16,030,694,887</u>	<u>109,431,908</u>	<u>31,411,208</u>	<u>78,440,103</u>	<u>768,924,339</u>	<u>1,042</u>	<u>17,018,903,487</u>
Capital Assets, Net	<u>11,104,619</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,104,619</u>
Total Assets	<u>17,076,617,280</u>	<u>115,344,243</u>	<u>33,475,439</u>	<u>83,387,454</u>	<u>779,568,835</u>	<u>1,042</u>	<u>18,088,394,293</u>
Liabilities:							
Accounts Payable - Brokers	121,416,741	696,304	235,311	592,679	0	0	122,941,035
Accounts Payable - Other	7,847,882	5,390	89,000	0	0	0	7,942,272
Accrued Expenses	175,170	0	0	0	2,054	1,042	178,266
Compensated Absences	565,184	0	0	0	11,716	0	576,900
Securities Lending Liability	345,533,676	1,981,563	669,652	1,686,671	0	0	349,871,562
Lease Liability	<u>2,248,870</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,248,870</u>
Total Liabilities	<u>477,787,523</u>	<u>2,683,257</u>	<u>993,963</u>	<u>2,279,350</u>	<u>13,770</u>	<u>1,042</u>	<u>483,758,905</u>
Net Assets Held in Trust for							
Pension Benefits	<u>\$16,598,829,757</u>	<u>\$112,660,986</u>	<u>\$32,481,476</u>	<u>\$81,108,104</u>	<u>\$779,555,065</u>	<u>\$0</u>	<u>\$17,604,635,388</u>
Source of Information:							
PERA Financial Statements - Pages 37 and 38							

STATE OF NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AS OF JUNE 30, 2023

	PUBLIC EMPLOYEE	JUDICIAL	MAGISTRATE	VOLUNTEER FIREFIGHTERS	DEFERRED COMP.	SSA PROGRAM	TOTAL
Additions:							
Contributions							
Employer	\$454,461,748	\$5,152,445	\$1,337,969	\$0	\$0	\$0	\$460,952,162
Member	364,138,526	2,286,017	750,943	0	46,278,410	0	413,453,896
Appropriations State of New Mexico							
Public Employee/Judicial/Magistrat	0	1,200,000	1,200,000	0	0	0	2,400,000
Fire Protection Fund	0	0	0	750,000	0	0	750,000
Service Credits Purchased	9,075,044	0	0	0	0	0	9,075,044
Total Contributions	<u>827,675,318</u>	<u>8,638,462</u>	<u>3,288,912</u>	<u>750,000</u>	<u>46,278,410</u>	<u>0</u>	<u>886,631,102</u>
Investment Income (Loss)							
Interest	148,101,346	1,553,870	314,574	733,458	16,656,341	0	167,359,589
Dividends	85,515,544	480,864	167,150	414,904	0	0	86,578,462
Net Appreciation in Fair Value	523,759,375	3,000,040	1,018,172	2,554,717	53,446,956	0	583,779,260
Other Investment Income	202,374,752	1,133,167	396,194	979,712	721,604	0	205,605,429
Securities Lending Income	2,675,880	15,092	5,227	12,997	0	0	2,709,196
Subtotal	<u>962,426,897</u>	<u>6,183,033</u>	<u>1,901,317</u>	<u>4,695,788</u>	<u>70,824,901</u>	<u>0</u>	<u>1,046,031,936</u>
Securities Lending Expenses	(398,599)	(2,286)	(773)	(1,946)	0	0	(403,604)
Other Investment Expenses	(63,866,615)	(371,860)	(125,667)	(316,521)	0	0	(64,680,663)
Total Investment Income (Loss)	<u>898,161,683</u>	<u>5,808,887</u>	<u>1,774,877</u>	<u>4,377,321</u>	<u>70,824,901</u>	<u>0</u>	<u>980,947,669</u>
Other Income	2,390,846	0	0	125	100,000	0	2,490,971
General Fund Appropriation	0	0	0	0	0	52,800	52,800
Reversion	0	0	0	0	0	(3,036)	(3,036)
Total Additions	<u>1,728,227,847</u>	<u>14,447,349</u>	<u>5,063,789</u>	<u>5,127,446</u>	<u>117,203,311</u>	<u>49,764</u>	<u>1,870,119,506</u>
Deductions:							
Benefit Payments	1,417,002,889	13,296,526	4,688,683	2,909,864	51,974,163	0	1,489,872,125
Refunds to Terminated Employees	51,448,291	0	262,550	0	0	0	51,710,841
Administrative Expenses	15,593,783	89,429	30,223	76,117	2,024,323	49,764	17,863,639
Life Insurance Premiums	0	0	0	0	0	0	0
Total Deductions	<u>1,484,044,963</u>	<u>13,385,955</u>	<u>4,981,456</u>	<u>2,985,981</u>	<u>53,998,486</u>	<u>49,764</u>	<u>1,559,446,605</u>
Change in Net Assets	<u>244,182,884</u>	<u>1,061,394</u>	<u>82,333</u>	<u>2,141,465</u>	<u>63,204,825</u>	<u>0</u>	<u>310,672,901</u>
Net Assets Held in Trust for							
Pension Benefits							
Beginning of the Year	16,354,646,873	111,599,592	32,399,143	78,966,639	716,350,240	0	17,293,962,487
Prior Period Adjustment	-	-	-	-	-	0	0
Beginning of the Year Restated	<u>16,354,646,873</u>	<u>111,599,592</u>	<u>32,399,143</u>	<u>78,966,639</u>	<u>716,350,240</u>	<u>0</u>	<u>17,293,962,487</u>
End of the Year	<u>\$16,598,829,757</u>	<u>\$112,660,986</u>	<u>\$32,481,476</u>	<u>\$81,108,104</u>	<u>\$779,555,065</u>	<u>\$0</u>	<u>\$17,604,635,388</u>
Source of Information:							
PERA Financial Statements - Pages 39 and 40							

DOIT ENTERPRISE SERVICES FUND

**State of New Mexico
FY 2023 Statewide Cost Plan
Section II Billed Costs Information**

**Department of Information Technology
Enterprise Services**

I. Service Description

The Enterprise Services Division is responsible for designing, establishing and maintaining voice and data telecommunication systems for New Mexico state agencies and other governmental entities.

Communications Services are those services associated with designing, establishing and maintaining voice and data systems for the New Mexico State government. Communication services are also available to local governmental entities. Services include telephone, wireless, radio and microwave, and data network services.

Information System Services are services associated with providing automated data processing services for State departments/agencies and other local and federal governmental units. Services include mainframe, open systems, enterprise application, and other information system services.

II. Financial Statements

Financial activities of the Division are recorded in a DoIT enterprise fund. The fund is Fund 20310, Enterprise Services Fund. Financial statements for the Fund are presented in DoIT audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for enterprise funds under the heading of "Enterprise Services - 20310". The following exhibits are provided in this document:

1. Exhibit A: Statement of Net Position – Proprietary Funds – the statement is presented in the DoIT Audit on page 49.
2. Exhibit B: Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds – the statement is presented in the DoIT Audit on page 50.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were transfers in for capital assets from the Enterprise ERF Fund (96880) in the amount of \$33,847,553.
2. Non-operating transfers out to other funds – There was a non-operating transfer out of \$13,437,755 to the Equipment Replacement Fund during the fiscal year. This transfer is to establish funds for the future replacement and/or upgrading of equipment.
3. Non-operating transfers out to other state agencies – There was a non-operating transfer out in the amount of \$432,222 to the General Services Department Insurance

Carrier Fund (56100) and Group Health Insurance Premium Stabilization Fund (75200) during the fiscal year. This transfer is to pay for insurance coverage provided by the GSD Risk Management Division.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

All costs, including an assessment from the Program Support Fund (Fund 20320), are identified and entered into a double step down cost allocation model. This model assigns costs of the various functions within the Fund to the various billing centers (rates).

At the beginning of the year, data from the cost allocation step down model is entered into another model that analyzes historical utilization data by billing service and anticipated usage based on customer needs and a billing rate by service is computed.

The actual cost of contracted services and the associated in-house staff and other costs are identified and documented. Costs associated with each type of service are then divided by the anticipated units of service to arrive at a rate by service. Two cost allocation analyses are performed during the year. The first one occurs in order to develop rates through expense projection and the second one occurs when the prior year's expenses are reviewed and rate amounts are judged to have been appropriate.

VI. Billing Rates

Exhibit G provides the billing rate in effect during the fiscal year ended June 30, 2023.

VII. Analysis of Fund Balance by Service

Exhibit F provides an analysis of the ending balances for each service and the calculation of the excess balance in accordance with CAS guidelines for each service.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget 2 CFR, Part 200, Appendix V. The previous balances for Fund 20310 and Fund 20330 have been combined.
2. Profit and Loss Analysis by Billable Service – Exhibit E provides a summary of the profit or loss by billable service.
3. Imputed Interest Earnings – Exhibit D provides the calculation of the imputed interest earnings for the Fund. Interest earnings on cash balances of the Fund are not recorded in the Fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS), imputed interest earnings have been calculated on the Fund's average cash balance utilizing the State Treasurer's average rate of return on short term investments for the

year ended June 30, 2023. Imputed interest income has been calculated on the average of beginning and ending cash balances and included in the reconciliations. The State does not agree with this method and hereby notifies DHHS that should the need arise may appeal the inclusion of the imputed revenue calculated in this manner in any calculation resulting in the payment of fund assets to the Federal government. Imputed interest earnings have been distributed to each bureau based on the ratio of their revenues to total revenues of the Fund.

4. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with operating the Fund. Therefore, any over/under recovery of costs will be included in subsequent rate calculations.

This concludes the narrative information on the DoIT Enterprise Services Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

ENTERPRISE SERVICES (20310)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$23,083,832
Accounts Receivable, Net	5,388,526
Other Receivables	0
Due from Other State Agencies	0
Due from Other Funds	0
Other Assets	0
Total Current Assets	<u>28,472,358</u>
Noncurrent Assets:	
Capital Assets (Net)	<u>67,160,305</u>
Total Noncurrent Assets	<u>67,160,305</u>
Total Assets	<u><u>\$95,632,663</u></u>
Liabilities:	
Current Liabilities	
Accounts Payable	\$969,499
Accrued Salaries and Benefits Payable	234,491
Compensated Absences - Current	890,394
Due to Components of the State	3,500
Due to Beneficiaries	0
Due to Other Funds	13,437,755
Current Portion of Lease Liability	222,503
Current Portion of IT Subscription Liability	1,323,415
Total Current Liabilities	<u>17,081,557</u>
Long Term Liabilities	
Lease Liability	4,362,841
IT Subscription Liability	<u>1,772,712</u>
Total Long Term Liabilities	<u>6,135,553</u>
Total Liabilities	<u>23,217,110</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	59,478,834
Restricted	12,936,719
Unrestricted	<u>0</u>
Total Net Assets	<u>72,415,553</u>
Total Liabilities and Net Assets	<u><u>\$95,632,663</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Page 49	

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

ENTERPRISE SERVICES (20310)

	FUND TOTAL
Operating Revenues	
Service Fees/Premiums	\$52,894,547
Other Revenue	34,793
Total Operating Revenues	52,929,340
Operating Expenses	
Current Expenses	
Personal Services	12,150,907
Contractual Services	3,225,557
Other Costs	26,284,869
Total Current Expenses	41,661,333
Depreciation	
Depreciation	14,307,008
Total Operating Expenses	55,968,341
Operating Income (Loss)	(3,039,001)
Non-Operating (Expenses)	
Investment Income	0
Loss on Disposal of Capital Assets	0
Interest Expense	0
Total Non-Operating	0
Other Financing Sources (Uses)	
State General Fund Appropriations	0
Transfers In:	
Transfer of Capital Assets	33,847,553
Internal Transfer	0
	33,847,553
Transfers Out:	
Program Support Assessment	0
Equipment Replacement	(13,437,755)
Other - GSD Insurance Funds 56100 & 75200	(432,222)
	(13,869,977)
Transfers From Other Agencies	0
FY21 Reversion	0
Total Other Financing Sources	19,977,576
Change in Net Assets	16,938,575
Net Assets - Beginning of Year, as Previously Reported	55,305,240
Restatement/Adjustment	171,738
Net Assets - End of Year	\$72,415,553
Source of Information:	
Independent Accountant's Reports and Financial Statements - Page 50	

STATE OF NEW MEXICO
ENTERPRISE SERVICES (20310)
RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022		
Balance Per Prior Year's Reconciliation of Fund to 2 CFR Part 200		(\$48,576,425)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR		
Revenues		
Service Fees/Revenue	\$52,894,547	
Other Revenue	34,793	
Total Revenues		52,929,340
Expenditures (Actual Costs):		
Per State's Financial Report		
Current Operating Expenses	41,661,333	
Depreciation	14,307,008	
Loss on Disposal of Capital Assets	0	
Internal Fund Transfers - Program Support (Fund 20320)	0	
Internal Fund Transfers - Equip. Replacement (Fund 96880)	13,437,755	
Transfers to Other Agencies - GSD Insurance	432,222	
Total Per Financial Statements	69,838,318	
Deductions Unallowable Costs		
Bad Debt Expense	0	
Transfers - Equipment Replacement Fund	(13,437,755)	
Total Deductions		(13,437,755)
Additional Allowable Costs		
FY 2023 SWCAP Costs	1,320,802	
Depreciation DOIT Governmental Activities	0	
Other	0	
Total Additions		1,320,802
Allowable Costs		57,721,365
Adjustments:		
Prior Period Adjustments		
Imputed Interest Earnings (Exhibit E)	(853,516)	
Total Adjustments		(853,516)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)	(\$52,514,934)
Allowable Reserve (60 days / 365 days)	(B)	7,136,607
Excess Balance (A) - (B)		(59,651,541)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022		
TOTAL CONTRIBUTED CAPITAL BALANCE		126,192,581
TRANSFERS Per ACFR (Supported By Official Accounting Records)		
Plus: Transfer In - Transfer of Capital Assets	33,847,553	
Plus: Transfer from Other Agency	0	
Less: Transfers Out	0	
Net Transfers		33,847,553
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)	\$160,040,134

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022		
TOTAL ADJUSTMENTS BALANCE		(22,310,915)
ADJUSTMENTS:		
Deductions Unallowable Costs	(13,437,755)	
Additional Allowable Costs	1,320,802	
Prior Year Restatement	171,738	
Imputed Interest Earnings	(853,516)	
Total Adjustments		(12,798,731)
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)	(\$35,109,646)

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR	(A) + (C) + (D)	\$72,415,553
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STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

ENTERPRISE SERVICES (20310)

DESCRIPTION	TOTAL FUND
A. Beginning Cash Balance - Balance on July 1, 2022	\$23,077,123
B. Ending Cash Balance - Balance on June 30, 2023	\$23,083,832
C. Average FY 2023 Cash Balance ((A+B)/2)	23,080,478
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$853,516

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
ENTERPRISE SERVICES (20310)

EXHIBIT E

PROFIT/LOSS ANALYSIS BY BILLABLE SERVICE
AS OF JUNE 30, 2023

BILLABLE SERVICE	REVENUES			2 CFR PART 200			PROFIT (LOSS)
	PER FINANCIAL	IMPUTED INTEREST *	TOTAL	OPERATING	DEPREC.	TOTAL	
COMMUNICATIONS SERVICES							
Telephone Services							
Dial Tone	\$1,428,695	\$23,039	\$1,451,733	\$2,147,158	\$151,741	\$2,298,899	(\$847,166)
Basic Deskset	4,196,190	67,666	4,263,856	6,017,188	431,276	6,448,465	(2,184,609)
Reception Phone	43,875	708	44,583	61,215	4,336	65,551	(20,968)
Telephone Moves, Add, & Changes	348,836	5,625	354,461	541,080	7,581	548,661	(194,201)
Misc Equip & Supplies	-	-	-	-	-	-	-
Long Distance Toll	172,371	2,780	175,151	348,262	15,616	363,878	(188,727)
Toll Free Service	479,477	7,732	487,209	998,085	44,781	1,042,866	(555,657)
Toll Miscellaneous	-	-	-	-	-	-	-
Automatic Call Distribution	231,876	3,739	235,615	-	-	-	235,615
Conference Calling (instant meeting)	37,746	609	38,355	30,691	1,297	31,988	6,367
Conference Calling (standard)	-	-	-	-	-	-	-
Conference Calling - Misc	-	-	-	-	-	-	-
VA-IVR	10,480	169	10,649	-	-	-	10,649
VA-Estimated Wait Time	-	-	-	-	-	-	-
VA Speech Recognition	-	-	-	-	-	-	-
Voice Recording	23,655	381	24,036	-	-	-	24,036
Voice Miscellaneous	-	-	-	-	-	-	-
Misc Telephone Charges	12,284	198	12,483	-	-	-	12,483
Voice Mail	932,304	15,034	947,338	1,333,150	94,237	1,427,387	(480,049)
Subtotal	<u>7,917,789</u>	<u>127,679</u>	<u>8,045,467</u>	<u>11,476,830</u>	<u>750,865</u>	<u>12,227,695</u>	<u>(4,182,227)</u>
Wireless Services							
Unlimited Push-to-Talk	-	-	-	-	-	-	-
Basic Access Fee	214,025	3,451	217,476	192,354	-	192,354	25,122
Enhanced Access Fee	-	-	-	-	-	-	-
PDA Access Fee	8,883,810	143,257	9,027,067	7,937,941	-	7,937,941	1,089,126
Broadband Access Fee	1,558,600	25,133	1,583,733	1,392,187	-	1,392,187	191,546
PDA Data Only	-	-	-	-	-	-	-
Wireless Equipment	712,350	11,487	723,837	665,513	-	665,513	58,324
Data Tethering Service	-	-	-	-	-	-	-
Subtotal	<u>11,368,785</u>	<u>183,328</u>	<u>11,552,113</u>	<u>10,187,994</u>	<u>-</u>	<u>10,187,994</u>	<u>1,364,119</u>
Radio and Microwave Services							
Local Base	-	-	-	-	-	-	-
Remote Base	-	-	-	-	-	-	-
Base Station	2,658,312	42,867	2,701,179	1,423,035	1,171,574	2,594,610	106,569
Single Channel Console	23,544	380	23,924	12,591	10,366	22,957	966
Multi-Channel Console	429,847	6,932	436,779	229,962	189,326	419,287	17,491
Mobile Radio	2,670,664	43,066	2,713,730	1,423,055	1,171,590	2,594,646	119,084
Mobile Radio with Repeater	1,417,407	22,857	1,440,263	757,590	623,718	1,381,307	58,956
Mobile Repeater Only	-	-	-	-	-	-	-
Radio Pager	-	-	-	-	-	-	-
Radio Maintenance	112,330	1,811	114,142	60,761	50,024	110,786	3,356
Portable Radio	5,525,285	89,098	5,614,383	2,949,328	2,428,159	5,377,487	236,896
Telemotes	6,023	97	6,120	-	-	-	6,120
DTRS Subscription	1,225,880	19,768	1,245,648	-	-	-	1,245,648
Subtotal	<u>14,069,292</u>	<u>226,875</u>	<u>14,296,167</u>	<u>6,856,323</u>	<u>5,644,757</u>	<u>12,501,080</u>	<u>1,795,088</u>
Data Network Services							
WAN Data Circuits	6,343,270	102,289	6,445,559	4,717,263	758,332	5,475,595	969,964
NS-WAN 3-7 MEG	-	-	-	-	-	-	-
NS-WAN MES Core	-	-	-	-	-	-	-
NS WAN Core Shared	-	-	-	-	-	-	-
NS WAN MES 10 MEG	-	-	-	-	-	-	-
NS WAN MES 100 MEG	-	-	-	-	-	-	-
Netwrk Engineering and Design	-	-	-	-	-	-	-
Internet Access Service	312,537	5,040	317,577	135,466	24,048	159,514	158,062
Spaceport Direct	-	-	-	-	-	-	-
Subtotal	<u>6,655,807</u>	<u>107,329</u>	<u>6,763,136</u>	<u>4,852,729</u>	<u>782,380</u>	<u>5,635,109</u>	<u>1,128,027</u>
Subtotal Communications	<u>40,011,672</u>	<u>645,211</u>	<u>40,656,884</u>	<u>33,373,876</u>	<u>7,178,002</u>	<u>40,551,878</u>	<u>105,006</u>

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
ENTERPRISE SERVICES (20310)

EXHIBIT E

PROFIT/LOSS ANALYSIS BY BILLABLE SERVICE
AS OF JUNE 30, 2023

BILLABLE SERVICE	REVENUES			2 CFR PART 200			PROFIT (LOSS)
	PER FINANCIAL	IMPUTED INTEREST *	TOTAL	OPERATING	DEPREC.	TOTAL	
INFORMATION SYSTEMS SERVICES							
Mainframe Services							
General CPU	17,866	288	18,154	2,050,943	142,433	2,193,376	(2,175,222)
Database CPU	-	-	-	-	-	-	-
CICS CPU	-	-	-	-	-	-	-
Subtotal	<u>17,866</u>	<u>288</u>	<u>18,154</u>	<u>2,050,943</u>	<u>142,433</u>	<u>2,193,376</u>	<u>(2,175,222)</u>
Disk Occupancy	919,952	14,835	934,787	259,962	207,489	467,451	467,335
Tape Occupancy	165,625	2,671	168,295	121,925	43,546	165,471	2,825
Print Pages	-	-	-	-	-	-	-
Subtotal	<u>1,085,577</u>	<u>17,506</u>	<u>1,103,082</u>	<u>381,887</u>	<u>251,035</u>	<u>632,922</u>	<u>470,160</u>
Open Systems							
Winserver Dedicated	-	-	-	-	-	-	-
Rack Unit Fee	506,960	8,175	515,135	806,922	202,036	1,008,958	(493,823)
Server System Administration	-	-	-	-	-	-	-
San Storage	92,654	1,494	94,148	161,580	29,677	191,257	(97,109)
Open Systems Backup	-	-	-	-	-	-	-
Subtotal	<u>599,614</u>	<u>9,669</u>	<u>609,283</u>	<u>968,502</u>	<u>231,713</u>	<u>1,200,215</u>	<u>(590,931)</u>
Enterprise Application Services							
Mailbox Fee	-	-	-	-	-	-	-
Mailbox Extra Storage	-	-	-	-	-	-	-
Email Encryption	-	-	-	-	-	-	-
Blackberry Service	-	-	-	-	-	-	-
File & Print Service	292,825	4,722	297,547	833,670	213,102	1,046,772	(749,225)
Agency Application System Developm	32,715	528	33,243	84,864	-	84,864	(51,622)
Agency Application Systems Maint.	-	-	-	-	-	-	-
Managed Desktop	-	-	-	-	-	-	-
Application Systems Development	-	-	-	-	-	-	-
Wireless LAN	91,354	1,473	92,827	42,309	7,511	49,820	43,007
Certiclear	-	-	-	-	-	-	-
Application Hosting Service Fee	-	-	-	-	-	-	-
Cloud Server	161,840	2,610	164,450	69,842	40,895	110,737	53,713
Cloud Server Memory	403,050	6,499	409,549	112,627	65,885	178,512	231,038
Cloud Server Storage	270,693	4,365	275,058	117,157	68,495	185,652	89,406
Web Hosting Service Fee	6,700	108	6,808	-	-	-	6,808
Virtual Private Network	94,644	1,526	96,170	-	-	-	96,170
Data Center Miscellaneous	-	-	-	1,520	-	1,520	(1,520)
EM Digital Workspace Adv	7,805,489	125,868	7,931,357	2,301,449	5,221,589	7,523,038	408,319
EM Digital Workspace Basic	288,278	4,649	292,926	25,623	12,839	38,462	254,464
Application Development Misc	1,813	29	1,842	7,551	-	7,551	(5,709)
Cloud Misc	-	-	-	441,349	-	441,349	(441,349)
Managed Applications Misc	171,536	2,766	174,302	-	-	-	174,302
Subtotal	<u>9,620,934</u>	<u>155,143</u>	<u>9,776,078</u>	<u>4,037,961</u>	<u>5,630,315</u>	<u>9,668,276</u>	<u>107,801</u>
Other Services							
Adobe	753,055	12,143	765,199	65,896	472,050	537,946	227,253
E Signature	307,872	4,965	312,837	236,335	401,460	637,795	(324,959)
Victim Notification Service	476,948	7,691	484,639	530,777	-	530,777	(46,138)
Subtotal	<u>1,537,875</u>	<u>24,799</u>	<u>1,562,674</u>	<u>833,008</u>	<u>873,510</u>	<u>1,706,519</u>	<u>(143,844)</u>
Subtotal Information Systems	<u>12,861,867</u>	<u>207,405</u>	<u>13,069,271</u>	<u>8,272,301</u>	<u>7,129,006</u>	<u>15,401,307</u>	<u>(2,332,036)</u>
Other							
Prior Year Adjustments	49,560	799	50,359	16,686	-	16,686	33,673
Equipment Sale/Reimbursement	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	(28,552)	(460)	(29,012)	-	-	-	(29,012)
Other	34,793	561	35,354	1,751,494	-	1,751,494	(1,716,140)
Subtotal Other	<u>55,801</u>	<u>900</u>	<u>56,701</u>	<u>1,768,180</u>	<u>-</u>	<u>1,768,180</u>	<u>(1,711,479)</u>
Grand Total	<u>52,929,340</u>	<u>853,516</u>	<u>53,782,856</u>	<u>43,414,357</u>	<u>14,307,008</u>	<u>57,721,365</u>	<u>(3,938,509)</u>

* Imputed Interest earnings are allocated based on financial revenues.

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY

ENTERPRISE SERVICES (20310)
ANALYSIS OF FUND BALANCES BY SERVICE

CURRENT SERVICE TITLE	FY 2022 ENDING BALANCE	FY 2023 PROFIT/LOSS EXHIBIT D	FY 2023 ENDING BALANCE	2 CFR PART 200		FY 2023 EXCESS BALANCE
				FY 2023 OPERATING COSTS EXHIBIT E	ALLOWABLE RESERVE 60 DAYS DIVIDED BY 365	
COMMUNICATIONS SERVICES						
Telephone Services						
Dial Tone	\$24,490	(\$847,166)	(\$822,676)	\$2,147,158	\$352,958	(\$1,175,634)
Basic Deskset	(1,519,210)	(2,184,609)	(3,703,819)	6,017,188	989,127	(4,692,945)
Reception Phone	(13,327)	(20,968)	(34,295)	61,215	10,063	(44,358)
Telephone Moves, Add, & Changes	(491,303)	(194,201)	(685,504)	541,080	88,945	(774,448)
Misc Equip & Supplies	0	0	0	0	0	0
Long Distance Toll	(584,340)	(188,727)	(773,067)	348,262	57,249	(830,316)
Toll Free Service	(1,040,377)	(555,657)	(1,596,034)	998,085	164,069	(1,760,103)
Toll Miscellaneous	1,171	0	1,171	0	0	1,171
Automatic Call Distribution	120,563	235,615	356,178	0	0	356,178
Conference Calling (unattended)	78,843	6,367	85,210	30,691	5,045	80,165
Conference Calling (standard)	16	0	16	0	0	16
Conference Calling - Misc	(34,258)	0	(34,258)	0	0	(34,258)
VA-IVR	32,397	10,649	43,046	0	0	43,046
VA-Estimated Wait Time	(30,044)	0	(30,044)	0	0	(30,044)
VA Speech Recognition	(54,613)	0	(54,613)	0	0	(54,613)
Voice Recording	6,268	24,036	30,304	0	0	30,304
Voice Miscellaneous	339,888	0	339,888	0	0	339,888
Misc Telephone Charges	0	12,483	12,483	0	0	12,483
Voice Mail	(527,087)	(480,049)	(1,007,136)	1,333,150	219,148	(1,226,284)
Subtotal	(3,690,924)	(4,182,227)	(7,873,151)	11,476,830	1,886,602	(9,759,753)
Wireless Voice Services						
Unlimited Push-to-Talk	(1,269)	0	(1,269)	0	0	(1,269)
Basic Access Fee	(68,132)	25,122	(43,010)	192,354	31,620	(74,630)
Enhanced Access Fee	(68,938)	0	(68,938)	0	0	(68,938)
PDA Access Fee	3,011,649	1,089,126	4,100,775	7,937,941	1,304,867	2,795,908
Broadband Access Fee	441,814	191,546	633,360	1,392,187	228,853	404,507
PDA Data Only	(5,658)	0	(5,658)	0	0	(5,658)
Wireless Equip. and Misc. Charges	11,103	58,324	69,427	665,513	109,399	(39,973)
Data Tethering Service	(20,733)	0	(20,733)	0	0	(20,733)
Subtotal	3,299,835	1,364,119	4,663,954	10,187,994	1,674,739	2,989,215
Radio and Microwave Services						
Local Base	(358,265)	0	(358,265)	0	0	(358,265)
Remote Base	(871,951)	0	(871,951)	0	0	(871,951)
Base Station	(227,866)	106,569	(121,297)	1,423,035	233,924	(355,220)
Single Channel Console	(65,957)	966	(64,991)	12,591	2,070	(67,060)
Multi-Channel Console	(163,459)	17,491	(145,968)	229,962	37,802	(183,770)
Mobile Radio	(491,054)	119,084	(371,970)	1,423,055	233,927	(605,897)
Mobile Radio with Repeater	(656,833)	58,956	(597,877)	757,590	124,535	(722,412)
Mobile Repeater Only	(383,229)	0	(383,229)	0	0	(383,229)
Radio Pager	(72,369)	0	(72,369)	0	0	(72,369)
Maintenance of Equipment	(126,669)	3,356	(123,313)	60,761	9,988	(133,301)
Portable Radio	(273,110)	236,896	(36,214)	2,949,328	484,821	(521,035)
Telemotes	(3,630)	6,120	2,490	0	0	2,490
DTRS Subscription	94,283	1,245,648	1,339,931	0	0	1,339,931
Subtotal	(3,600,109)	1,795,088	(1,805,021)	6,856,323	1,127,067	(2,932,088)
Data Network Services						
WAN Data Circuits	(7,807,621)	969,964	(6,837,657)	4,717,263	775,440	(7,613,097)
NS-WAN 3-7 MEG	(30,486)	0	(30,486)	0	0	(30,486)
NS-WAN MES Core	(33,301)	0	(33,301)	0	0	(33,301)
NS WAN Core Shared	(49,246)	0	(49,246)	0	0	(49,246)
NS WAN MES 10 MEG	(16,221)	0	(16,221)	0	0	(16,221)
NS WAN MES 100 MEG	(4,485)	0	(4,485)	0	0	(4,485)
Network Engineering and Design	336	0	336	0	0	336
Internet Access Service	(410,843)	158,062	(252,781)	135,466	22,268	(275,049)
Spaceport Direct	394	0	394	0	0	394
Subtotal	(8,351,473)	1,128,027	(7,223,446)	4,852,729	797,709	(8,021,155)

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY

ENTERPRISE SERVICES (20310)
ANALYSIS OF FUND BALANCES BY SERVICE

CURRENT SERVICE TITLE	FY 2022 ENDING BALANCE	FY 2023 PROFIT/LOSS EXHIBIT D	FY 2023 ENDING BALANCE	2 CFR PART 200		FY 2023 EXCESS BALANCE
				FY 2023 OPERATING COSTS EXHIBIT E	ALLOWABLE RESERVE 60 DAYS DIVIDED BY 365	
Abandoned Services						
WEBX Toll	(2,001)	0	(2,001)	0	0	(2,001)
Microwave Channel End	(157,646)	0	(157,646)	0	0	(157,646)
Mobile Unit Installation	(35,420)	0	(35,420)	0	0	(35,420)
Other Mobile Maintenance	(26,532)	0	(26,532)	0	0	(26,532)
Dispatch Fees	(359,639)	0	(359,639)	0	0	(359,639)
Subtotal	(581,238)	0	(581,238)	0	0	(581,238)
Subtotal Communications	(12,923,909)	105,006	(12,818,903)	33,373,876	5,486,117	(18,305,019)
INFORMATION SYSTEMS SERVICES						
Mainframe Services						
General CPU	(3,498,121)	(2,175,222)	(5,673,343)	2,050,943	337,141	(6,010,484)
Database CPU	(461,163)	0	(461,163)	0	0	(461,163)
CICS CPU	374,106	0	374,106	0	0	374,106
Subtotal	(3,585,178)	(2,175,222)	(5,760,400)	2,050,943	337,141	(6,097,541)
Disk Occupancy	(1,273,983)	467,335	(806,648)	259,962	42,733	(849,381)
Tape Occupancy	(2,015,218)	2,825	(2,012,393)	121,925	20,042	(2,032,436)
Print Pages	(3,822,081)	0	(3,822,081)	0	0	(3,822,081)
Subtotal	(7,111,282)	470,160	(6,641,122)	381,887	62,776	(6,703,898)
Open Systems						
Winserver Dedicated	(200,208)	0	(200,208)	0	0	(200,208)
Rack Unit Fee	(811,933)	(493,823)	(1,305,756)	806,922	132,645	(1,438,401)
Server System Administration	(1,018,536)	0	(1,018,536)	0	0	(1,018,536)
San Storage	(1,120,838)	(97,109)	(1,217,947)	161,580	26,561	(1,244,508)
Tier 1 San Storage	(386,567)	0	(386,567)	0	0	(386,567)
Tier 2 San Storage	(135,006)	0	(135,006)	0	0	(135,006)
Open Systems Backup	(615,650)	0	(615,650)	0	0	(615,650)
Subtotal	(4,288,739)	(590,931)	(4,879,671)	968,502	159,206	(5,038,876)
Enterprise Application Services						
Mailbox Fee	(1,500,371)	0	(1,500,371)	0	0	(1,500,371)
Mailbox Extra Storage	(19,653)	0	(19,653)	0	0	(19,653)
Email Encryption	3,027	0	3,027	0	0	3,027
Blackberry Service	(53,213)	0	(53,213)	0	0	(53,213)
File & Print Service	(2,197,415)	(749,225)	(2,946,640)	833,670	137,042	(3,083,681)
Agency Application Systems Development	-	(51,622)	(51,622)	84,864	13,950	(65,572)
Agency Application Systems Maint.	(1,917,314)	0	(1,917,314)	0	0	(1,917,314)
Managed Desktop	2,214	0	2,214	0	0	2,214
Application Systems Development	385	0	385	0	0	385
Wireless LAN	28,205	43,007	71,213	42,309	6,955	64,258
Certiclear	34	0	34	0	0	34
Application Hosting Service Fee	(129,819)	0	(129,819)	0	0	(129,819)
Cloud Server	(403,744)	53,713	(350,031)	69,842	11,481	(361,512)
Cloud Server Memory	(109,488)	231,038	121,550	112,627	18,514	103,036
Cloud Server Storage	(538,189)	89,406	(448,783)	117,157	19,259	(468,042)
Web Hosting Service Fee	(225,605)	6,808	(218,797)	0	0	(218,797)
Virtual Private Network	-	96,170	96,170	0	0	96,170
Data Center Miscellaneous	-	(1,520)	(1,520)	1,520	250	(1,770)
EM Digital Workspace Adv	1,263,450	408,319	1,671,769	2,301,449	378,320	1,293,449
EM Digital Workspace Basic	46,204	254,464	300,668	25,623	4,212	296,456
Application Development Misc	-	(5,709)	(5,709)	7,551	1,241	(6,951)
Cloud Misc	-	(441,349)	(441,349)	441,349	72,551	(513,900)
Managed Applications Misc	-	174,302	174,302	0	0	174,302
Subtotal	(5,751,292)	107,801	(5,643,491)	4,037,961	663,774	(6,307,266)

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY

ENTERPRISE SERVICES (20310)
ANALYSIS OF FUND BALANCES BY SERVICE

CURRENT SERVICE TITLE	FY 2022 ENDING BALANCE	FY 2023 PROFIT/LOSS EXHIBIT D	FY 2023 ENDING BALANCE	2 CFR PART 200		FY 2023 EXCESS BALANCE
				FY 2023 OPERATING COSTS EXHIBIT E	ALLOWABLE RESERVE 60 DAYS DIVIDED BY 365	
Other Services						
IDMS	(127,531)	0	(127,531)	0	0	(127,531)
IVR Direct	35	0	35	0	0	35
Oracle Direct	(214,699)	0	(214,699)	0	0	(214,699)
Adobe	(633,414)	227,253	(406,161)	65,896	10,832	(416,994)
E Signature	(774,271)	(324,959)	(1,099,230)	236,335	38,850	(1,138,079)
Victim Notification Service	(362,744)	(46,138)	(408,882)	530,777	87,251	(496,133)
Exadata	(2,054,988)	0	(2,054,988)	0	0	(2,054,988)
Training	71	0	71	0	0	71
Subtotal	<u>(4,167,541)</u>	<u>(143,844)</u>	<u>(4,311,385)</u>	<u>833,008</u>	<u>136,933</u>	<u>(4,448,318)</u>
Abandoned and Non Billed Services						
Storage Server Fee	(175,062)	0	(175,062)		0	(175,062)
Discontinued Services	(12,114,398)	0	(12,114,398)		0	(12,114,398)
Non Billed Services	13,223,535	0	13,223,535		0	13,223,535
Subtotal	<u>934,075</u>	<u>0</u>	<u>934,075</u>	<u>0</u>	<u>0</u>	<u>934,075</u>
Subtotal Information Systems Services	<u>(23,969,958)</u>	<u>(2,332,036)</u>	<u>(26,301,994)</u>	<u>8,272,301</u>	<u>1,359,830</u>	<u>(27,661,824)</u>
Other						
Prior Year Adjustments	(9,883,715)	33,673	(9,850,042)	16,686	2,743	(9,852,785)
Equipment Sale/Reimbursement	182,837	0	182,837	0	0	182,837
Misc	(33,082)	(29,012)	(62,095)	0	0	(62,095)
Other	<u>(1,948,598)</u>	<u>(1,716,140)</u>	<u>(3,664,738)</u>	<u>1,751,494</u>	<u>287,917</u>	<u>(3,952,655)</u>
Subtotal Other	<u>(11,682,559)</u>	<u>(1,711,479)</u>	<u>(13,394,038)</u>	<u>1,768,180</u>	<u>290,660</u>	<u>(13,684,698)</u>
	<u>(\$48,576,426)</u>	<u>(\$3,938,509)</u>	<u>(\$52,514,935)</u>	<u>\$43,414,357</u>	<u>\$7,136,607</u>	<u>(\$59,651,541)</u>

* Working capital costs determined by deducting depreciation from total service costs.

** Reserve determined by multiplying working capital costs by 60 and dividing by 365.

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY

ENTERPRISE SERVICES (20310)
FY 2023 BILLING RATES

SERVICE	BILLING UNIT DESCRIPTION	BILLING RATE
COMMUNICATIONS SERVICES		
Telephone Services		
Dial Tone	Basic Dial Tone (Fax Line) Per Month	\$26.50
Basic Deskset	Desk Telephone Per Month	\$30.00
Reception Phone	Device Per Month	\$45.00
Voice Mail	Mail Box Per Month	\$11.50
Automatic Call Distribution	Agent Per Month	\$36.00
IVR	Per Call	\$0.08
Text2Speech	Per Minute	\$0.04
Telephone Data Service	Per Month	\$15.00
Voice Recording	Per Month	\$15.00
Telephone Moves, Adds, & Changes	Per Hour	\$117.00
Estimated Hold Wait Time	Per Month	\$550.00
Speech Recognition	Per Month	\$45.50
Misc Equip & Supplies Telephone Moves, Adds, & Changes	Actual Costs	\$0.00
Voice Toll		
Long Distance	Per Minute	\$0.05
Toll Free Service	Per Minute	\$0.05
Value Added Services		
Conference Calling (standard)	Port Per Minute	\$0.15
Conference Calling - Misc.	Actual Cost	Actual Cost
Conference Calling (instant)	Port Per Minute	\$0.03
Desktop Support	Per Hour	\$0.00
Appl System Design & Development	Per Hour + Materials	\$90.00
Agency Appl Sys Maintenance	Actual Cost	Actual Cost
Netwrk Engineering and Design	Per Hour	\$88.00
IT Consulting	Per Hour	\$0.00
Training	Actual Cost	Actual Cost
Exadata	Per Instance	\$0.00
Victim Notification Service	Per Year Per Agency	\$119,237.00
WebX Toll Charges		\$0.00
IDMS		\$0.00
Oracle License Fee		\$0.00
Radio and Microwave Services		
Local Base	Device Per Month	\$0.00
Remote Base	Device Per Month	\$0.00
Base Station	Device Per Month	\$635.00
Single Channel Console	Device Per Month	\$654.00
Multi-Channel Console	Device Per Month	\$1,699.00
Mobile Radio	Device Per Month	\$83.50
Mobile Radio with Repeater	Device Per Month	\$0.00
Mobile Repeater Only	Device Per Month	\$169.78
Portable Radio	Device Per Month	\$155.00
Telemote	Device Per Month	\$83.65
Digital Trunked Radio Service	Device Per Month	\$20.00
Contracted Maintenance	Contract Amount	Actual Cost
Radio Pager	Device Per Month	\$0.00
Wireless Voice Services		
PDA Data Only	Line Per Month	\$0.00
Unlimited Push to Talk	Line Per Month	\$0.00
Basic Access Fee	Line Per Month	\$35.00
Enhanced Access Fee	Line Per Month	\$0.00
Smartphone Access Fee	Line Per Month	\$65.00
Broadband Access Fee	Line Per Month	\$40.00
Data Tethering Service	Line Per Month	\$0.00
Wireless Equipment and Misc Charges	Actual Charges	Actual Cost
INFORMATION SYSTEMS SERVICES		
Mainframe Services		
General CPU	CPU Second	\$0.40
Disk Occupancy	Per GB Per Day	\$0.61
Tape Occupancy	Per Dataset	\$0.004
Print Pages	Per Page	\$0.15

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY

ENTERPRISE SERVICES (20310)
FY 2023 BILLING RATES

SERVICE	BILLING UNIT DESCRIPTION	BILLING RATE
Open Systems		
Rack Unit Fee	Rack Unit Per Month	\$16.00
Server Management	Server Per Month	\$450.00
Winserver Dedicated	Server Per Month	\$550.00
Application Hosting Service Fee	Application Per Month	\$235.06
File & Print Service	User Per Month	\$25.00
Static Web Page Hosting Service Fee	Site Per Month	\$50.00
Adobe License	User Per Month	\$5.00
Electronic Signature Service (DocuSign)	Per Envelope	\$3.00
Kiteworks Dedicated Sure File Share License	User Per Month	\$17.25
Data Management		
Enterprise Storage	GB Storage Per Month	\$0.21
Open Systems Backup	GB Storage Per Month	\$2.39
Cloud Server CPU	CPU Per Month	\$40.00
VS Cloud Server Memory	GB of Ram Per Month	\$15.00
VS Cloud Server Storage	GB Storage Per Month	\$0.29
Email		
Mailbox Fee	Mailbox Per Month	\$0.00
Mailbox Extra Storage	Mailbox Per Month	\$0.00
Blackberry Service Fee	Unit Per Month	\$0.00
Email Encryption	Mailbox Per Month	\$0.00
Digital Workspace (Office 365 Advance)	Mailbox Per Month	\$36.59
Digital Workspace (Office 365 Basic)	Mailbox Per Month	\$9.50
BroadbandPerWAN		
WAN Services	Per Circuit	Actual Cost
NS Internet Access Service	FTE Per Month	\$1.14
Virtual Private Network Access Fee	User Per Month	\$12.25
Wireless LAN	Connection Point Per Month	\$62.40

***DOIT STATEWIDE HUMAN RESOURCES, ACCOUNTING AND
MANAGEMENT REPORTING SYSTEM FUND***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**Department of Information Technology
Statewide Human Resources, Accounting and Management Reporting System Fund**

I. Service Description

The Human Resources System was operated and maintained by the Office of Information Processing (OIP) of the Department of Information Technology (DoIT) through June 30, 2006. Effective July 1, 2006, the Human Resources System was replaced by the Statewide Human Resources, Accounting and Management Reporting System (SHARE). SHARE combines the State's human resource, payroll, accounting, and management reporting functions into an integrated statewide system. SHARE provides users with the tools to manage and pay employees, allocate personnel and related costs, and manage revenues and expenditures. DoIT provides professional technical services, and operations are administered jointly by the Department of Finance and Administration and the State Personnel Office. Costs are recovered through assessments, based on a per-employee cost, to all agencies utilizing SHARE.

II. Financial Statements

Financial activities of SHARE are recorded in a DoIT enterprise fund. The fund is Fund 20360. Financial statements for the Fund are presented in DoIT audited Independent Accountants' Reports and Financial Statements under the heading "SHARE Operating - 20360. The following exhibits are provided in this document:

1. Exhibit A: Statement of Net Position – Proprietary Funds – the statement is presented in the DoIT Audit on page 49.
2. Exhibit B: Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds - the statement is presented in the DoIT Audit on page 50.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There was a non-operating transfer into the fund in the amount of \$389,384 in FY 2023. This was an internal transfer of capital assets.
2. Non-operating transfers out to other funds – There was a non-operating transfer out in the amount of \$3,341,169 to the Equipment Replacement Fund (96870) during the fiscal year. This transfer is to establish funds for the future replacement and/or upgrading to SHARE.
3. Non-operating transfers out to other state agencies – There was a non-operating transfer out in the amount of \$44,494 to the General Services Department Insurance Carrier Fund (56100) and Group Health Insurance Premium Stabilization Fund

(75200) during the fiscal year. This transfer is to pay for insurance coverage provided by the GSD Risk Management Division.

IV. Prior Year Adjustments

There were no prior period adjustments in FY 2023.

V. Billing Methodology

Each department/agency is assessed a fee per authorized full time equivalent position (FTE). The assessment is made at the beginning of each fiscal year.

VI. Billing Rates

The SHARE assessment per FTE for the fiscal year ending June 30, 2023 was \$360.00. Agency specific application development and maintenance is billed at \$150.00 per hour plus actual costs of materials.

VII. Reconciliation

1. Fund Reconciliation - A reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V is provided in the previous section, DoIT Human Resources Fund.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with operating SHARE. Therefore, any over/under recovery of costs will be included in subsequent rate calculations.

This concludes the narrative information on the DoIT Statewide Human Resources, Accounting, and Management Reporting System. The Exhibit A is provided on the following page.

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

STATEWIDE HUMAN RESOURCES, ACCOUNTING AND
MANAGEMENT REPORTING SYSTEM FUND (FUND 20360)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$8,943,479
Accounts Receivable, Net	35,452
Due from Other State Agencies	0
Due from Other Funds	0
Other Assets	0
Total Current Assets	<u>8,978,931</u>
Noncurrent Assets:	
Capital Assets, Net	15,048,295
Construction in Progress	0
Other	0
Total Noncurrent Assets	<u>15,048,295</u>
Total Assets	<u><u>\$24,027,226</u></u>
Liabilities:	
Current Liabilities	
Accounts Payable	499,827
Accrued Salaries and Benefits Payable	35,835
Compensated Absences	111,070
Due to Other Funds	3,341,169
Total Current Liabilities	<u>3,987,901</u>
Noncurrent Liabilities	
Compensated Absences Payable	<u>0</u>
Total Liabilities	<u>3,987,901</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	15,048,295
Restricted	<u>4,991,030</u>
Total Net Assets	<u>20,039,325</u>
Total Liabilities and Net Assets	<u><u>\$24,027,226</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Page 49	

STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

STATEWIDE HUMAN RESOURCES, ACCOUNTING AND
MANAGEMENT REPORTING SYSTEM FUND (FUND 20360)

		FUND TOTAL
Operating Revenues		
User Fees		\$9,719,369
Other Revenue		0
Total Operating Revenues		<u>9,719,369</u>
Operating Expenses		
Current Expenses		
Personal Services	\$1,882,955	
Contractual Services	1,943,710	
Other Costs	<u>2,177,520</u>	6,004,185
Depreciation		3,341,170
Capital Outlays		0
Total Operating Expenses		<u>9,345,355</u>
Operating Income (Loss)		<u>374,014</u>
Other Financing Sources (Uses)		
State General Fund Appropriations		0
Transfers In:		
Interfund Transfer of Capital Assets		389,384
Transfers Out:		
Program Support Assessment (Fund 20320)	0	
Equipment Replacement (Fund 96870)	(3,341,169)	
Other - General Services Department Insurance Funds 56100 & 75200	<u>(44,494)</u>	(3,385,663)
Total Other Financing Sources		<u>(2,996,279)</u>
Change in Net Assets		(2,622,265)
Total Net Assets - Beginning of Year		22,661,590
Prior Period Adjustment		<u>0</u>
Total Net Assets - End of Year		<u><u>\$20,039,325</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 50		

STATE OF NEW MEXICO
STATEWIDE HUMAN RESOURCES, ACCOUNTING AND MANAGEMENT REPORTING SYSTEM FUND
RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to 2 CFR Part 200			\$4,561,944
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$9,719,369		
Other Revenue	0		
Other	0		
Total Revenues			9,719,369
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	6,004,185		
Depreciation	3,341,170		
Internal Fund Transfers - Program Support (Fund 20320)	0		
Internal Fund Transfers - Equip. Replacement (Fund 96870)	3,341,169		
Transfers to Other Agencies - GSD Insurance	44,494		
		12,731,018	
Deductions Unallowable Costs			
Provision for Losses	0		
Less Transfer to Equip. Replacement Fund 96870	(3,341,169)		
Total Deductions		(3,341,169)	
Additional Allowable Costs			
FY 2023 SWCAP Costs	204,677		
Other	0		
Total Additions		204,677	
Allowable Expenditures			9,594,526
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings (Exhibit D)	(320,752)		
Total Adjustments		(320,752)	
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		\$5,007,539
Allowable Reserve (60 days)	(B)		1,027,949
Excess Balance (A) - (B)			3,979,590

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			60,088,476
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In			
State General Fund Appropriations	0		
Internal Transfer of Capital Assets	389,384		
Less: Transfers Out	0		
Net Transfers			389,384
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$60,477,860

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			(41,988,829)
ADJUSTMENTS:			
Deductions Unallowable Costs	(3,341,169)		
Additional Allowable Costs	204,677		
Imputed Interest Earnings	(320,752)		
Total Adjustments		(3,457,244)	
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		(\$45,446,073)

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR	(A) + (C) + (D)		\$20,039,325
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STATE OF NEW MEXICO
DEPARTMENT OF INFORMATION TECHNOLOGY
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

STATEWIDE HUMAN RESOURCES, ACCOUNTING AND
MANAGEMENT REPORTING SYSTEM FUND (FUND 20360)

<u>DESCRIPTION</u>	<u>AMOUNTS</u>
A. Beginning Cash Balance - Balance on July 1, 2022	\$8,403,839
B. Ending Cash Balance - Balance on June 30, 2023	8,943,479
C. Average FY 2023 Cash Balance ((A+B)/2)	8,673,659
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$320,752

GSD - PROGRAM SUPPORT

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**General Services Department
Program Support**

I. Service Description

Program Support is comprised of the Office of the Secretary (OOS) of the General Services Department (GSD) and GSD's Administrative Services Division (ASD). The OOS is responsible to the Governor for the operation of GSD. The OOS provides oversight, policy direction, and legal support for all divisions and programs administered by GSD. ASD provides accounting, budgeting, financial, and other support services for all divisions and programs administered by GSD. ASD also provides interagency mail service for departments by subscription.

II. Financial Statements

All financial activities of Program Support are recorded in a GSD non-major enterprise fund. The fund is Fund 197, Administrative Services Division and Office of the Secretary. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "Administration Services Division". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 73 and 75.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 77.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There was no prior year adjustment during the fiscal year ended June 30, 2023.

V. Billing Methodology

A Program Support assessment is charged to the five GSD programs based on a business process re-engineering recommendation developed by POD, Inc. that provides for an equitable assessment to each program. The assessment is calculated by first summing the total operating budget for the GSD, which includes salaries and benefits, contractual services and other costs. Other financing uses is excluded from the sum because it is not considered part of the “operating” budget. The proposed Program Support budget is then divided by the total sum of the operating budgets. This calculation results in a percentage. The percentage is then multiplied by the operating budget for each individual program and the result is the amount to be charged for Program Support.

VI. Billings

Exhibit E provides the assessments for the fiscal year ended June 30, 2023.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Imputed Interest Earnings – Interest earnings on cash balances of the fund are not recorded in the fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS), imputed interest earnings have been calculated on the Fund’s average cash balance utilizing the State Treasurer’s average rate of return on short term investments for the year ended June 30, 2023. Exhibit D provides the calculation of the imputed interest earnings. Imputed interest income has been calculated on the average of beginning and ending cash balances and included in the reconciliations. The State does not agree with this method and hereby notifies DHHS that should the need arise may appeal the inclusion of the imputed revenue calculated in this manner in any calculation resulting in the payment of fund assets to the Federal government.
3. Treatment of Variances - The intent of the legislation creating Program Support was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the GSD Office of the Secretary and Administrative Services Division. Therefore, any over/under recovery of costs will be included in subsequent assessment calculations.

This concludes the narrative information on the GSD Program Support Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

ADMINISTRATIVE SERVICES DIVISION AND OFFICE OF THE SECRETARY (FUND 197)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$2,507,926
Interest Receivables	0
Accounts/Trade Receivables	220
Allowance for Doubtful Accounts	(220)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Total Current Assets	<u>2,507,926</u>
Noncurrent Assets:	
Capital Assets	1,235,741
Accumulated Depreciation	(834,505)
Land	0
Total Noncurrent Assets	<u>401,236</u>
Total Assets	<u><u>\$2,909,162</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$0
Accounts Payable	253,236
Deferred Revenue	0
Accrued Expenses	63,435
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	228,290
Current Portion of Lease Liabilities	4,802
Total Current Liabilities	<u>549,763</u>
Long-Term Liabilities	
Compensated Absences Payable	12,779
Lease Liabilities	9,381
Total Long Term Liabilities	<u>22,160</u>
Total Liabilities	<u>571,923</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	387,053
Unrestricted	<u>1,950,186</u>
Total Net Assets	<u>2,337,239</u>
Total Liabilities and Net Assets	<u><u>\$2,909,162</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 73 & 75	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

ADMINISTRATIVE SERVICES DIVISION AND OFFICE OF THE SECRETARY (FUND 197)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$0
Gain (loss) on Sale of Autos and Equipment		0
Other Revenue		354
Total Operating Revenues		<u>354</u>
Operating Expenses		
Current Expenses		
Personal Services	\$2,486,542	
Employee Benefits	937,499	
Travel	907	
Transportation	8,390	
Maintenance and Repairs	327,410	
Supplies	38,241	
Lease Interest	82	
Contractual Services	538,812	
Other Costs	181,127	
Depreciation		4,519,010
Capital Outlays		144,654
Total Operating Expenses		<u>0</u> <u>4,663,664</u>
Operating Income (Loss)		<u>(4,663,310)</u>
Non Operating Revenues (Expenses)		
Intra-agency transfers		
Transfer In for administrative services	5,117,200	
Transfer Out for Services	(120,330)	
Transfer Out Capital Assets	(7,530)	
Other Financing Sources		4,989,340
Other State Agency		
Other State Agency Transfer In - Capital Asset	150,000	150,000
Other Financing (Uses)		
Other State Agency Transfer Out - Capital Asset		0
Total Nonoperating Revenue (Expenses)		<u>5,139,340</u>
Income Before Transfers		<u>476,030</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		476,030
Net Assets - Beginning of Year, as Previously Reported		1,861,209
Adjustments Applicable to Prior Year		
Net Assets - End of Year		<u><u>\$2,337,239</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 77		

STATE OF NEW MEXICO
 ADMINISTRATIVE SERVICES DIVISION AND OFFICE OF THE SECRETARY (FUND 197)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022		
Balance Per Prior Year's Reconciliation of Fund to		(\$642,177)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR		
Revenues		
Service Fees/Revenue - Inter-agency Mail Services	\$0	
Other Revenue	354	
Intra-agency Transfers	5,117,200	
Other Financing Sources - State Funds	0	
Other Financing Sources - State Funds - Capital Assets	150,000	
Gain on Disposal of Assets	0	
Total Revenues		5,267,554
Expenditures (Actual Costs):		
Per State's Financial Report		
Current Operating Expenses	4,519,010	
Depreciation	144,654	
Capital Outlays	0	
Intra-agency Transfers	120,330	
Intra-Agency Transfer Capital Assets	7,530	
Total Per Financial Statements	4,791,524	
Deductions Unallowable Costs		
Provision for Losses	0	
Less Lease Interest	(82)	
Less Capital Outlay \$5,000 or Greater	(7,530)	
Other	0	
Total Deductions		(7,612)
Additional Allowable Costs		
FY 2023 SWCAP Costs	41,285	
Other	0	
Total Additions		41,285
Allowable Expenditures		4,825,197
Adjustments:		
Prior Period Adjustments	0	
Imputed Interest Earnings (Exhibit D)	(83,541)	
Total Adjustments		(83,541)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)	(\$116,279)
Allowable Reserve (60 days)	(B)	769,404
Excess Balance (A) - (B)		(885,683)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022		0
TRANSFERS Per ACFR (Supported By Official Accounting Records)		
Plus: General Appropriation	0	
Plus: Transfers In	0	
Less: Transfers Out	0	
Net Transfers		0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)	\$0

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022		\$2,503,386
ADJUSTMENTS:		
Deductions Unallowable Costs	(7,612)	
Additional Allowable Costs	41,285	
Imputed Interest Earnings	(83,541)	
Total Adjustments		(49,868)
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)	\$2,453,518

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR	(A) + (C) + (D)	\$2,337,239
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STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

ADMINISTRATIVE SERVICES DIVISION AND OFFICE OF THE SECRETARY (FUND 197)

DESCRIPTION	AMOUNTS
A. Beginning Cash Balance - Balance on July 1, 2022	\$2,010,237
B. Ending Cash Balance - Balance on June 30, 2023	2,507,926
C. Average FY 2023 Cash Balance ((A+B)/2)	2,259,082
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$83,541

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
AS OF JUNE 30, 2023

ADMINISTRATIVE SERVICES DIVISION AND OFFICE OF THE SECRETARY (FUND 197)
INTERFUND AND INTERAGENCY ASSESSMENTS

FUND	TITLE	ASSESSMENT
174	General Fund - Facilities & Purchasing	\$200,000
286	Purchasing Fees	73,900
352	Risk Management - Operating	4,395,800
360	Surplus Property	30,300
365	State Transportation Pool	331,300
417	State Aircraft Bureau	28,500
806	State Printing	57,400
	Total	<u>\$5,117,200</u>

GSD TRANSPORTATION SERVICES DIVISION – MOTOR POOL

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Transportation Services Division
Motor Pool**

I. Service Description

The State Transportation Motor Pool furnishes transportation services for all state departments/agencies in the Santa Fe area. This includes the procurement (either through purchase or lease) and maintenance of vehicles. The Motor Pool receives no general fund appropriation and is reliant on revenues it receives from the leasing of vehicles to the various state agencies. The Motor Pool is administered by the Division of Transportation of the New Mexico General Services Department (GSD).

II. Financial Statements

All financial activities of the Motor Pool are recorded in the GSD non-major enterprise Fund 365. Financial statements for the fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "State Transportation Pool". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 74 and 76.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 78.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There was no prior year adjustment recorded to the fund balance for the fiscal year ended June 30, 2023.

V. Billing Methodology

The Motor Pool provides vehicles on a daily, or short-term basis, or on a long-term basis, normally over six months to its clients. If on a long-term basis, the customer may purchase a vehicle through the Motor Pool, lease a vehicle through the Motor Pool from an outside vendor or “lease” one of the Motor Pool vehicles. The cost structure under each arrangement is different but the major components are 1) an overhead amount which includes an allocation from the State-wide cost allocation plan, an assessment from the GSD Office of the Secretary, the GSD Administrative Support Division and the Motor Pool’s administrative cost; 2) vehicle depreciation; 3) and maintenance.

VI. Billing Rates

The billing rates for FY 2023 are provided on Exhibit E.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Imputed Interest Earnings – Interest earnings on cash balances of the fund are not recorded in the fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS), imputed interest earnings have been calculated on the Fund’s average cash balance utilizing the State Treasurer’s average rate of return on short term investments for the year ended June 30, 2023. Exhibit D provides the calculation of the imputed interest earnings. Imputed interest income has been calculated on the average of beginning and ending cash balances and included in the reconciliations. The State does not agree with this method and hereby notifies DHHS that should the need arise may appeal the inclusion of the imputed revenue calculated in this manner in any calculation resulting in the payment of fund assets to the Federal government.
3. Treatment of Variances - The intent of the legislation creating the Motor Pool was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Motor Pool. Therefore, any over/under recovery of costs will be included in subsequent rate calculations.

This concludes the narrative information on the GSD Transportation Division Motor Pool. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE STATE TRANSPORTATION POOL (FUND 365)

	<u>FUND TOTAL</u>
Assets:	
Current Assets:	
State General Fund Investment Pool	\$5,427,035
Interest Receivables	0
Accounts/Trade Receivables	22,690
Allowance for Doubtful Accounts	(17,820)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Other Assets	0
Total Current Assets	<u>5,431,905</u>
Noncurrent Assets:	
Capital Assets	40,865,941
Accumulated Depreciation	(26,916,335)
Total Noncurrent Assets	<u>13,949,606</u>
Total Assets	<u><u>\$19,381,511</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$0
Accounts Payable	460,635
Unearned Revenue	0
Accrued Payroll	24,280
Other Accrued Liabilities	0
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	73,898
Current Portion of Lease Liabilities	3,037,975
Total Current Liabilities	<u>3,596,788</u>
Long-Term Liabilities	
Compensated Absences Payable	\$830.00
Lease Liabilities	3,604,346
Total Long-Term Liabilities	<u>3,605,176</u>
Total Liabilities	<u>7,201,964</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	7,307,285
Unrestricted	4,872,262
Total Net Assets	<u>12,179,547</u>
Total Liabilities and Net Assets	<u><u>\$19,381,511</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 74 and 76	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE STATE TRANSPORTATION POOL (FUND 365)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$8,650,725
Gain on Sale of Auto & Equipment		0
Other Gifts & Grants		0
Other Revenue		282,588
Total Operating Revenues		<u>8,933,313</u>
Operating Expenses		
Current Expenses		
Personal Services	978,850	
Employee Benefits	562,090	
Travel	21,529	
Transportation	1,990,691	
Maintenance and Repairs	74,731	
Supplies	26,136	
Contractual Services	9,974	
Operating Costs	231,604	
Lease Interest	41,018	
Bad Debt	0	
Depreciation		3,936,623
Capital Outlays		5,849,989
Total Operating Expenses		<u>0</u> <u>9,786,612</u>
Operating Income (Loss)		<u>(853,299)</u>
Non Operating Revenues (Expenses)		
Disposal of Assets - (Loss)	(8,533)	(8,533)
IntraAgency Transfer Out	(403,190)	(403,190)
Other Financing Sources		
General Appropriation	0	
IntraAgency Transfers In - Capital Assets	73,582	
Other State Agency Transfers In - Capital Assets	2,069,086	
Other Governmental Funds	0	2,142,668
Other Financing (Uses)		
General Appropriation Reversion	(5,445)	
IntraAgency Transfers Out - Capital Assets	(30,000)	
Other State Agency Transfers Out - Capital Assets	0	(35,445)
Total Nonoperating Revenue (Expenses)		<u>1,695,500</u>
Income Before Transfers		<u>842,201</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		842,201
Net Assets - Beginning of Year, as Previously Reported		11,337,346
Adjustments Applicable to Prior Year		
Net Assets - End of Year		<u>\$12,179,547</u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 78		

STATE OF NEW MEXICO
 THE STATE TRANSPORTATION POOL (FUND 365)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$1,495,590)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$8,650,725		
Other Revenue	282,588		
Other Gifts & Grants	0		
Gain on Disposal of Assets	0		
Other State Agency Transfer	2,142,668		
Total Revenues			11,075,981
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	3,936,623		
Depreciation	5,849,989		
Capital Outlays	0		
Disposal of Assets - Loss	8,533		
Interagency Transfer	403,190		
Other Financing Uses	35,445		
Total Per Financial Statements	10,233,780		
Deductions Unallowable Costs			
Provision for Losses	0		
Lease Interest	(41,018)		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions		(41,018)	
Additional Allowable Costs			
FY 2023 SWCAP Costs	62,391		
Other	0		
Total Additions		62,391	
Allowable Expenditures			10,255,153
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings (Exhibit D)	(204,290)		
Total Adjustments		(204,290)	(204,290)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$470,472)
Allowable Reserve (60 days)	(B)		724,137
Excess Balance (A) - (B)			(1,194,609)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			(\$1,385,749)
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In	0		
Less: Transfers Out	0		
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		(\$1,385,749)

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			\$14,218,685
ADJUSTMENTS:			
Deductions Unallowable Costs	(41,018)		
Additional Allowable Costs	62,391		
Imputed Interest Earnings	(204,290)		
Total Adjustments		(182,917)	
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$14,035,768

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR	(A) + (C) + (D)		\$12,179,547
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STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

THE STATE TRANSPORTATION POOL (FUND 365)

DESCRIPTION	AMOUNTS
A. Beginning Cash Balance - Balance on July 1, 2022	\$5,621,639
B. Ending Cash Balance - Balance on June 30, 2023	\$5,427,035
C. Average FY 2023 Cash Balance ((A+B)/2)	\$5,524,337
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$204,290

STATE OF NEW MEXICO
 GENERAL SERVICES DEPARTMENT
 AS OF JUNE 30, 2023

THE STATE TRANSPORTATION POOL (FUND 365)
 FY 2023 BILLING RATES

VEHICLE CLASS	VEHICLE TYPE	OVERHEAD	MAINT	REPLACEMENT FEE	STANDARD LEASE	OPERATIONAL LEASE	SHORT TERM LEASE (Per Day)
02B	Mid Size Sedan	\$ 90.71	\$ 117.63	\$ 187.00	\$ 395.00	\$ 208.34	\$ 17.97
	Mid Size Sedan - 2020/2022 Nissan Altima						
02BM	Commercial	\$ 90.71	\$ 117.63	\$ -	\$ 480.00	\$ -	\$ -
02C	Full Size Sedan	\$ 90.71	\$ 117.63	\$ 205.00	\$ 413.00	\$ 208.34	\$ 18.79
04A	Mini 4X2 Pick Up	\$ 90.71	\$ 117.63	\$ 152.00	\$ 360.00	\$ 208.34	\$ 16.36
04B	Mini 4X4 Pick Up	\$ 90.71	\$ 117.63	\$ 166.00	\$ 374.00	\$ 208.34	\$ 17.02
04C	1/2 Ton 4X2 Pick-up	\$ 90.71	\$ 117.63	\$ 147.00	\$ 355.00	\$ 208.34	\$ 16.14
04D	1/2 Ton 4X4 Pick-up	\$ 90.71	\$ 117.63	\$ 124.00	\$ 332.00	\$ 208.34	\$ 15.09
04E	1/2 Ton 4X4 Extended Cab Pick-up	\$ 90.71	\$ 117.63	\$ 134.00	\$ 342.00	\$ 208.34	\$ 15.55
04F	1/2 Ton 4X4 Crew Cab Pick-up	\$ 90.71	\$ 117.63	\$ 153.00	\$ 362.00	\$ 208.34	\$ 16.44
04G	3/4 Ton 4X2 Regular Cab Pick-up	\$ 90.71	\$ 117.63	\$ 223.00	\$ 431.00	\$ 208.34	\$ 19.60
04H	3/4 Ton 4X4 Regular Cab Pick-up	\$ 90.71	\$ 117.63	\$ 240.00	\$ 448.00	\$ 208.34	\$ 20.36
04I	3/4 Ton 4X4 Extended Cab Pick-up	\$ 90.71	\$ 117.63	\$ 232.00	\$ 441.00	\$ 208.34	\$ 20.03
04J	3/4 Ton 4X4 Crew Cab Pick-up	\$ 90.71	\$ 117.63	\$ 204.00	\$ 413.00	\$ 208.34	\$ 18.75
04K	1 Ton 4X4 Extended Cab Pick-up	\$ 90.71	\$ 117.63	\$ 265.00	\$ 473.00	\$ 208.34	\$ 21.51
04L	1 Ton 4X4 Crew Cab Pick-up	\$ 90.71	\$ 117.63	\$ 221.00	\$ 429.00	\$ 208.34	\$ 19.52
05A	Passenger Mini Van (7-8 passenger)	\$ 90.71	\$ 117.63	\$ 199.00	\$ 407.00	\$ 208.34	\$ 18.52
	Passenger Mini Van Commerical (7-8 passenger) Chrysler Pacifica						
05AC		\$ 90.71	\$ 117.63	\$ 346.00	\$ 752.00	\$ -	\$ -
05B	Cargo Mini Van	\$ 90.71	\$ 117.63	\$ 188.00	\$ 397.00	\$ 208.34	\$ 18.03
05C	Full Size 15 Passenger Van	\$ 90.71	\$ 117.63	\$ 278.00	\$ 487.00	\$ 208.34	\$ 22.12
05D	Full Size Cargo Van	\$ 90.71	\$ 117.63	\$ 195.00	\$ 403.00	\$ 208.34	\$ 18.31
05E	Full Size 12 Passenger Van	\$ 90.71	\$ 117.63	\$ 259.00	\$ 467.00	\$ 208.34	\$ 21.24
06A	Mid Size Sport Utility 4X4	\$ 90.71	\$ 117.63	\$ 249.00	\$ 457.00	\$ 208.34	\$ 20.79
	Mid Size Sport Utility 4X4 Commercial 2020						
06AM	Rogue - Toyota Rav 4	\$ 90.71	\$ 117.63	\$ 361.00	\$ 480.00	\$ -	\$ -
	Mid Size Sport Utility 4X4 - Commercial 2022						
06AT	Ford Explorer	\$ 90.71	\$ 117.63	\$ 422.00	\$ 630.00	\$ -	\$ -
06B	Full Size Sport Utility Vehicle 4X4	\$ 90.71	\$ 117.63	\$ 327.00	\$ 535.00	\$ 208.34	\$ 24.33
	Full Size Sport Utility 4X4 Commercial 2020						
06BM	Ford Expedition	\$ 90.71	\$ 117.63	\$ 680.00	\$ 888.00	\$ -	\$ -

***GSD TRANSPORTATION SERVICES DIVISION – STATE
AVIATION***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Transportation Services Division
State Aviation**

I. Service Description

The Aviation Services Bureau provides state owned aircrafts for use by all state agencies and other authorized entities. The Bureau is assigned to the Division of Transportation of the New Mexico General Services Department (GSD).

II. Financial Statements

All financial activities of the Bureau are recorded in a GSD non-major enterprise fund. The fund is Fund 417, State Aviation Fund. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "State Aircraft Pool". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 74 and 76.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position– Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on page 78.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in from other funds during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out of the fund during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There was no prior year adjustment to the fund balance for the fiscal year ended June 30, 2023.

V. Billing Methodology

Effective in Fiscal Year 2023, pursuant to state statute 15-9-4, NMSA, 1978 “Travel Charges”, all fees charged to entities will offset the amount needed to cover the costs associated with fuel consumption and depreciation costs. The remaining operational costs will be covered through a General Fund Appropriation. Fuel costs are based on actual market rates. Depreciation costs were not charged as the aircraft is fully depreciated.

VI. Billing Rates

The billing rates during the fiscal year ended June 30, 2023 were based on actual costs for fuel consumption only. All other costs are funded by general appropriation.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Imputed Interest Earnings – Interest earnings on cash balances of the fund are not recorded in the fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS), imputed interest earnings have been calculated on the Fund’s average cash balance utilizing the State Treasurer’s average rate of return on short term investments for the year ended June 30, 2023. Exhibit D provides the calculation of the imputed interest earnings. Imputed interest income has been calculated on the average of beginning and ending cash balances and included in the reconciliations. The State does not agree with this method and hereby notifies DHHS that should the need arise may appeal the inclusion of the imputed revenue calculated in this manner in any calculation resulting in the payment of fund assets to the Federal government.
3. Treatment of Variances – The Fund is being operated at a loss and is subsidized by General Fund appropriations. If the Fund should by some unusual occurrence incur an operating income, the operating income would be used to offset prior operating losses or used to repay or reduce General Fund appropriations.

This concludes the narrative information on the GSD Transportation Division State Aircraft. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE STATE AVIATION FUND (FUND 417)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$104,822
Interest Receivables	0
Accounts/Trade Receivables	15,700
Allowance for Doubtful Accounts	(15,700)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Other Assets	0
Inventories	0
Total Current Assets	<u>104,822</u>
Noncurrent Assets:	
Capital Assets	2,866,905
Accumulated Depreciation	(1,576,068)
Total Noncurrent Assets	<u>1,290,837</u>
Total Assets	<u><u>\$1,395,659</u></u>
Liabilities:	
Current Liabilities	
Accounts Payable	\$4,742
Deferred Revenue	0
Accrued Expenses	4,897
Due to Other Funds	0
Accrued Compensated Absences	43,913
Current Portion of Lease Liabilities	59,728
Total Current Liabilities	<u>113,280</u>
Long-Term Liabilities	
Compensated Absences Payable	2,145
Lease Liabilities	169,748
Total Long Term Liabilities	<u>171,893</u>
Total Liabilities	<u>285,173</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	1,061,361
Restricted for Insurance/Claims	0
Unrestricted	49,125
Total Net Assets	<u>1,110,486</u>
Total Liabilities and Net Assets	<u><u>\$1,395,659</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 74 and 76.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE STATE AVIATION FUND (FUND 417)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$167,788
Interest Income		0
Other Revenue		0
Total Operating Revenues		<u>167,788</u>
Operating Expenses		
Current Expenses		
Personal Services	\$182,601	
Employee Benefits	81,988	
Travel	4,755	
Transportation	297,640	
Maintenance and Repairs	2,201	
Supplies	3,504	
Contractual Services	7,363	
Bad Debt	0	
Lease Interest	1,728	
Operating Costs	34,817	616,597
Depreciation		168,251
Capital Outlays		0
Total Operating Expenses		<u>784,848</u>
Operating Income (Loss)		<u>(617,060)</u>
Non Operating Revenues (Expenses)		
Intra-agency transfers		
Transfer In from Fund 197	0	
Transfer Out to Fund 197 for Administration	<u>(34,690)</u>	(34,690)
Other Financing Sources		
General Appropriation	533,200	
Other State Agency Transfers	23,600	
Other Financing (Uses)		
General Appropriation Reversion	0	
Other State Agency Transfers	0	
Other State Funds	<u>0</u>	0
Total Nonoperating Revenue (Expenses)		<u>522,110</u>
Income Before Transfers		<u>(94,950)</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		(94,950)
Net Assets - Beginning of Year, as Previously Reported		1,205,436
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u><u>\$1,110,486</u></u>

Source of Information:

Independent Accountant's Reports and Financial Statements - Page 78

STATE OF NEW MEXICO
THE STATE AVIATION FUND (FUND 417)
RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$12,739,898)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$167,788		
Other Revenue	0		
Gain on Disposal of Assets	0		
Total Revenues		167,788	
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	616,597		
Depreciation	168,251		
Capital Outlays	0		
Disposal of Assets - Loss	0		
Interagency Transfer (Fund 197 Administrative Support)	34,690		
Total Per Financial Statements	819,538		
Deductions Unallowable Costs			
Provision for Losses - Bad Debt	0		
Less Capital Outlay \$5,000 or Greater	0		
Less Lease Interest	(1,728)		
Other	0		
Total Deductions		(1,728)	
Additional Allowable Costs			
FY 2023 SWCAP Costs	(1,036)		
Other	0		
Total Additions		(1,036)	
Allowable Expenditures			816,774
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings (Exhibit D)	(3,852)		
Total Adjustments		(3,852)	(3,852)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$13,385,032)
Allowable Reserve (60 days)	(B)		106,607
Excess Balance (A) - (B)			(13,491,639)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			\$13,792,705
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Intra-agency transfer	0		
Plus: Other State Agency Transfers	23,600		
Plus: General Appropriations	533,200		
Less: General Appropriation Reversion	0		
Less: Transfers Out	0		
Net Transfers		556,800	
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$14,349,505

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			\$152,629
ADJUSTMENTS:			
Deductions Unallowable Costs	(1,728)		
Additional Allowable Costs	(1,036)		
Imputed Interest Earnings	(3,852)		
Total Adjustments		(6,616)	
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$146,013

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	\$1,110,486
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STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

THE STATE AVIATION FUND (FUND 417)

DESCRIPTION	AMOUNTS
A. Beginning Cash Balance - Balance on July 1, 2022	\$103,532
B. Ending Cash Balance - Balance on June 30, 2023	104,822
C. Average FY 2023 Cash Balance ((A+B)/2)	104,177
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$3,852

GSD STATE PRINTING OFFICE

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

GSD State Printing Office

I. Service Description

The State Printing Office of the General Services Department (GSD) provides offset press printing and duplicating services for Federal, state and local government entities as well as certified non-profit organizations. Offset press services range from 2 x 3.5 to 19 x 25 finished printed products. Brochures, booklets, posters, forms, office stationery, envelopes (various sizes), non-carbonless forms etc. all range from one to four color process. Graphics Design and Bindery services are also available with or without printing services. The Office also provides duplication services consisting of 4-color Xerox Docucolor copying as well as high-speed Docutech single page to 200 pages, 2-sided bound book.

II. Financial Statements

Financial activities of the State Printing Office are recorded in a GSD non-major enterprise fund. The Fund is Fund 806, State Printing Fund. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "State Printing". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 74 and 76.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on page 78.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There was no prior year adjustment to the fund balance for the fiscal year ended June 30, 2023.

V. Billing Methodology

An industry standard printing pricing program is used as not only an industry pricing foundation but a tracking system as well. The program is used as an industry standard to calculate production on an individual basis. All prices for products are taken from statewide price agreements let out for bid by the New Mexico State Purchasing Division (paper, inks, plates, blankets, negatives, processing chemicals and foils, etc.). Press costs are determined by individual machine and are based on an hourly run basis and not an impression basis. Once all aspects are entered into the pricing system, individual jobs are priced on a job per job basis using actual costs that includes employee time and paid benefits. Jobs are also based on amounts, type of job or run, paper selected and what finished product needs to be.

VI. Billing Rates

The billing rates in effect during the fiscal year ended June 30, 2023 were based on State Purchasing contracts current product price, which are updated every six months, plus press costs.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Imputed Interest Earnings – Interest earnings on cash balances of the fund are not recorded in the fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS), imputed interest earnings have been calculated on the Fund's average cash balance utilizing the State Treasurer's average rate of return on short term investments for the year ended June 30, 2023. Exhibit D provides the calculation of the imputed interest earnings.
3. Treatment of Variances - The intent of the legislation creating the State Printing Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with operating the State Printing Office. Therefore, any over/under recovery of costs will be included in subsequent rate calculations.

This concludes the narrative information on the GSD State Printing Office. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

STATE PRINTING (FUND 806)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$1,055,456
Interest Receivables	0
Accounts/Trade Receivables	117,633
Allowance for Doubtful Accounts	(117,633)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>1,055,456</u>
Noncurrent Assets:	
Capital Assets	760,185
Accumulated Depreciation	(489,083)
Total Noncurrent Assets	<u>271,102</u>
Total Assets	<u><u>\$1,326,558</u></u>
Liabilities:	
Current Liabilities	
Due to State General Fund Investment Pool	\$0
Accounts Payable	52,951
Accrued Expenses	12,074
Unearned Revenue	1,021
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	36,699
Current Portion of Lease Liabilities	157,393
Total Current Liabilities	<u>260,138</u>
Long-Term Liabilities	
Compensated Absences Payable	3,712
Lease Liabilities	36,028
Total Long-Term Liabilities	<u>39,740</u>
Total Liabilities	<u><u>299,878</u></u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	77,681
Restricted for Insurance/Claims	0
Unrestricted	948,999
Total Net Assets	<u>1,026,680</u>
Total Liabilities and Net Assets	<u><u>\$1,326,558</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 74 and 76	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

STATE PRINTING (FUND 806)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$2,481,304
Interest Income		0
Other Revenue		63,007
Total Operating Revenues		<u>2,544,311</u>
Operating Expenses		
Current Expenses		
Personal Services	\$411,164	
Employee Benefits	159,706	
In-State Travel	0	
Transportation Expense	7,853	
Maintenance and Repairs	35,911	
Supplies	291,461	
Contractual Services	0	
Bad Debt	0	
Lease Interest	1,326	
Other Costs	<u>1,102,877</u>	2,010,298
Depreciation		170,975
Capital Outlays		0
Total Operating Expenses		<u>2,181,273</u>
Operating Income (Loss)		<u>363,038</u>
Non Operating Revenues (Expenses)		
Intra-Agency Transfers		
Transfer Out	(77,470)	(77,470)
Transfer In Capital Assets	<u>0</u>	0
Other Financing Sources		
General Appropriation	0	
Other Financing (Uses)		
General Appropriation	0	
IntraAgency Transfers Out - Capital Assets	(30,000)	
Other State Agency Transfers	<u>0</u>	(30,000)
Total Nonoperating Revenue (Expenses)		<u>(107,470)</u>
Income Before Transfers		<u>255,568</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		255,568
Net Assets - Beginning of Year, as Previously Reported		771,112
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u><u>\$1,026,680</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 78		

STATE OF NEW MEXICO
STATE PRINTING (FUND 806)
RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$4,602,036)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$2,481,304		
Other Revenue	63,007		
Intra-Agency Transfer Capital assets	0		
Gain on Disposal of Assets	0		
Total Revenues			2,544,311
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	2,010,298		
Depreciation	170,975		
Intra-agency transfers (Admin. Service Fund 197 support)	77,470		
Capital Outlays	0		
Disposal of Assets - Loss	0		
Other Financing Uses	30,000		
Total Per Financial Statements	2,288,743		
Deductions Unallowable Costs			
Provision for Losses - Bad Debt	0		
Less Lease Interest	(1,326)		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions			(1,326)
Additional Allowable Costs			
FY 2023 SWCAP Costs	(41,033)		
Other	0		
Total Additions			(41,033)
Allowable Expenditures			2,246,384
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings (Exhibit D)	(37,718)		
Total Adjustments			(37,718)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$4,266,391)
Allowable Reserve (60 days)	(B)		341,163
Excess Balance (A) - (B)			(4,607,554)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			0
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Other Financing Sources	0		
Plus: Transfers In	0		
Less: Transfers Out	0		
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$0

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			\$5,373,148
ADJUSTMENTS:			
Deductions Unallowable Costs	(1,326)		
Additional Allowable Costs	(41,033)		
Imputed Interest Earnings	(37,718)		
Total Adjustments			(80,077)
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$5,293,071

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR	(A) + (C) + (D)		\$1,026,680
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STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

STATE PRINTING (FUND 806)

DESCRIPTION	AMOUNTS
A. Beginning Cash Balance - Balance on July 1, 2022	\$984,483
B. Ending Cash Balance - Balance on June 30, 2023	1,055,456
C. Average FY 2023 Cash Balance ((A+B)/2)	1,019,970
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D)	\$37,718

GSD RISK MANAGEMENT DIVISION – OPERATING ACCOUNT

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

GSD Risk Management Division – Operating Account

I. Service Description

The Operating Account of the Risk Management Division (RMD) of the General Services Department (GSD) contains the administrative and support expenses of RMD. Costs of RMD administrative and support expenses are assessed to the funds and programs administered by RMD.

II. Financial Statements

All financial activities associated with RMD administrative and support services are recorded in a GSD non-major enterprise fund. The fund is Fund 352, the Risk Management Operating Account Fund. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "Risk Management Operating". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) - the statement is presented in GSD's Audit on pages 73 and 75.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (Internal Service) - the statement is presented in GSD's Audit on page 77.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2024.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2024.

IV. Prior Year Adjustments

There was no prior year adjustment to the fund balance for the fiscal year ended June 30, 2024.

V. Billing Methodology

Projected Fund costs are assessed to RMD funds and program based on projected expenditures.

VI. Billing Rates

Exhibit E provides the assessments for the fiscal year ended June 30, 2024.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Imputed Interest Earnings – Interest earnings on cash balances of the Fund are not recorded in the Fund. Therefore, in accordance with instructions provided by the Division of Cost Allocation of the U.S. Department of Health and Human Services (DHHS), imputed interest earnings have been calculated on the Fund's average cash balance utilizing the State Treasurer's average rate of return on short term investments for the year ended June 30, 2024. Exhibit D provides the calculation of the imputed interest earnings. Imputed interest income has been calculated on the average of beginning and ending cash balances and included in the reconciliations. The State does not agree with this method and hereby notifies DHHS that should the need arise may appeal the inclusion of the imputed revenue calculated in this manner in any calculation resulting in the payment of fund assets to the Federal government.
3. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent assessment calculations.

This concludes the narrative information on the GSD Risk Management Division Operating Account Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE RISK MANAGEMENT OPERATING ACCOUNT (FUND 352)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$1,694,461
Interest Receivables	0
Accounts/Trade Receivables	499
Allowance for Doubtful Accounts	(499)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Other Assets	0
Total Current Assets	<u>1,694,461</u>
Noncurrent Assets:	
Capital Assets	150,907
Accumulated Depreciation	(59,632)
Total Noncurrent Assets	<u>91,275</u>
Total Assets	<u><u>\$1,785,736</u></u>
Liabilities:	
Current Liabilities	
Bank Overdraft	\$0
Claims Payable	0
Accounts Payable	7,012
Deferred Revenue	0
Accrued Expenses	89,462
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	226,033
Current Portion of Lease Liability	22,081
Total Current Liabilities	<u>344,588</u>
Long-Term Liabilities	
Compensated Absences Payable	1,433
Lease Liabilities	69,395
Total Long-Term Liabilities	<u>70,828</u>
Total Liabilities	<u>415,416</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	(201)
Restricted for Insurance/Claims	0
Unrestricted	<u>1,370,521</u>
Total Net Assets	<u>1,370,320</u>
Total Liabilities and Net Assets	<u><u>\$1,785,736</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 73 and 75.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE RISK MANAGEMENT OPERATING ACCOUNT (FUND 352)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$0
Other Revenue		0
Total Operating Revenues		<u>0</u>
Operating Expenses		
Current Expenses		
Personal Services	\$3,310,817	
Employee Benefits	1,364,444	
Travel	4,136	
Transportation	11,649	
Maintenance and Repairs	0	
Supplies	100,271	
Contractual Services	65,238	
Operating Costs	218,544	
Lease Interest	443	
Other Costs	0	
Depreciation		19,753
Capital Outlays		0
Total Operating Expenses		<u>5,095,295</u>
Operating Income (Loss)		<u>(5,095,295)</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfers		
Transfer In for Program Assessments	10,001,500	
Transfer Out to Fund 197 for Program Support	(4,551,650)	
Transfer Out Capital Assets	(30,000)	
Other Financing Sources		5,419,850
General Appropriation	0	
Other State Funds	0	
Other Financing (Uses)		0
General Appropriation	0	
Reversion to State General Fund	0	
Purchase of Capital Assets	0	
Total Nonoperating Revenue (Expenses)		<u>5,419,850</u>
Income Before Transfers		<u>324,555</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		324,555
Net Assets - Beginning of Year, as Previously Reported		1,045,765
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u>\$1,370,320</u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 77.		

STATE OF NEW MEXICO
 THE RISK MANAGEMENT OPERATING ACCOUNT (FUND 352)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$8,394,970)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue		\$0	
Intra-agency Transfers		10,001,500	
Other Revenue		0	
Other Financing Sources - Other State Funds		0	
Gain on Disposal of Assets		0	
Total Revenues			10,001,500
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses		5,075,542	
Depreciation		19,753	
Capital Outlays		0	
Intra-agency Transfers		4,551,650	
Intra-agency Transfers-Capital Assets		30,000	
Other Financing Uses		0	
Total Per Financial Statements		9,676,945	
Deductions Unallowable Costs			
Provision for Losses		0	
Less Capital Outlay \$5,000 or Greater		(30,000)	
Lease Interest		(443)	
Total Deductions			(30,443)
Additional Allowable Costs			
FY 2023 SWCAP Costs		(210,714)	
Other		0	
Total Additions			(210,714)
Allowable Expenditures			9,435,787
Adjustments:			
Prior Period Adjustments		0	
Imputed Interest Earnings (Exhibit D)		(59,274)	
Total Adjustments			(59,274)
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$7,769,983)
Allowable Reserve (60 days)	(B)		1,547,841
Excess Balance (A) - (B)			(9,317,825)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			175,000
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Other Financing Sources		0	
Plus: Transfers In		0	
Less: Transfers Out		0	
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$175,000

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			9,265,735
ADJUSTMENTS:			
Deductions Unallowable Costs		(30,443)	
Additional Allowable Costs		(210,714)	
Imputed Interest Earnings		(59,274)	
Total Adjustments			(300,432)
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$8,965,303

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	\$1,370,320
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STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
IMPUTED INTEREST EARNINGS
AS OF JUNE 30, 2023

THE RISK MANAGEMENT OPERATING ACCOUNT (FUND 352)

DESCRIPTION	AMOUNTS
A. Beginning Cash Balance - Balance on July 1, 2022	\$1,511,247
B. Ending Cash Balance - Balance on June 30, 2023	1,694,461
C. Average FY 2023 Cash Balance ((A+B)/2)	1,602,854
D. State Treasury Average Rate of Return for FY 2023	3.70%
E. Imputed Interest Earnings for FY 2023 (C * D) Negative Amount Not Claimed	\$59,274

STATE OF NEW MEXICO
 GENERAL SERVICES DEPARTMENT
 AS OF JUNE 30, 2023

THE RISK MANAGEMENT OPERATING ACCOUNT (FUND 352)
 INTERFUND AND INTERAGENCY ASSESSMENTS

FUND	TITLE	ASSESSMENT
353	Risk Management - State Unemployment	\$ -
354	Risk Management - LPB Unemployment	-
356	Risk Mangement - Public Property	-
357	Risk Management - Public Liability	3,470,500
358	Risk Management - Surety Bond	-
359	Worker's Compensation	6,531,000
752	Health Benefits Premium & Rate Stab.	-
	Total	<u>\$ 10,001,500</u>

***GSD RISK MANAGEMENT DIVISION – PUBLIC PROPERTY
INSURANCE***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Risk Management Division
Public Property Insurance**

I. Service Description

The Public Property Reserve Fund provides for the purchase and administration of property insurance and the payment of any claims covered by a certificate of coverage issued by the Risk Management Division. This is a self-insurance fund. Financing is provided through assessments to State agencies. The Fund is administered by the Risk Management Division of the General Services Department (GSD).

II. Financial Statements

All financial activities associated with the Fund are recorded in a GSD non-major enterprise fund. The fund is Fund 356. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "Public Property Reserve". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 73 and 75.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 77.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

Rates are based on the costs of insurance coverage purchased from third-party insurance carriers and/or the direct cost of coverage for any risk not insured, and applicable administrative costs. Rates are also weighted to reflect the respective risk of each type of property and each agency.

VI. Billing Rates

Since the cost of claims is known by department/agency, an actual dollar amount that represents a specific department/agencies premium is computed and billed to each department/agency.

VII. Actuarial Report

The actuarial report covering this Fund has been provided as a separate document titled “Actuarial Study of the Self-Insured Workers Compensation, Public Liability, Surety Bond, Public Property and State Unemployment Compensation Programs as of June 30, 2023”.

VIII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent calculations.

This concludes the narrative information on the GSD Risk Management Division Public Property Reserve Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE PUBLIC PROPERTY RESERVE (FUND 356)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$15,294,909
Interest Receivables	0
Accounts/Trade Receivables	5,121
Allowance for Doubtful Accounts	(721)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>15,299,309</u>
Noncurrent Assets:	
Capital Assets	0
Accumulated Depreciation	0
Total Noncurrent Assets	<u>0</u>
Total Assets	<u><u>\$15,299,309</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	4,323,970
Accounts Payable	0
Deferred Revenue	0
Accrued Expenses	0
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	0
Total Current Liabilities	<u>4,323,970</u>
Long-Term Liabilities	
Claims Payable	<u>814,752</u>
Total Liabilities	<u>5,138,722</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	0
Restricted for Insurance/Claims	0
Unrestricted	<u>10,160,587</u>
Total Net Assets	<u>10,160,587</u>
Total Liabilities and Net Assets	<u><u>\$15,299,309</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 73 and 75.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE PUBLIC PROPERTY RESERVE (FUND 356)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$11,245,676
Interest Income		223,943
Other Revenue		289,979
Total Operating Revenues		<u>11,759,598</u>
Operating Expenses		
Current Expenses		
Personal Services	\$0	
Employee Benefits	0	
In-State Travel	0	
Out-of-State Travel	0	
Maintenance and Repairs	0	
Supplies	0	
Contractual Services	0	
Bad Debts	0	
Operating Costs	12,811,455	
Other Costs	0	
Depreciation		0
Capital Outlays		0
Total Operating Expenses		<u>12,811,455</u>
Operating Income (Loss)		<u>(1,051,856)</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfer		
Other Financing Sources		
General Appropriation	0	
Other State Agency Transfers	0	
Other State Funds	0	0
Other Financing (Uses)		
General Appropriation	0	
Other State Agency Transfers Out - Capital Assets	0	0
Total Nonoperating Revenue (Expenses)		<u>0</u>
Income Before Transfers		<u>(1,051,856)</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		(1,051,856)
Net Assets - Beginning of Year, as Previously Reported		11,212,443
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u>\$10,160,587</u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 77.		

STATE OF NEW MEXICO
 THE PUBLIC PROPERTY RESERVE (FUND 356)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE			
RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			\$14,161,548
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$11,245,676		
Interest Income	223,943		
Other Revenue	289,979		
Other Financing Sources	0		
Total Revenues			11,759,598
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	12,811,455		
Intra-agency transfers	0		
Capital Outlays	0		
Other State Agency Transfers Out - Capital Assets	0		
Total Per Financial Statements	12,811,455		
Deductions Unallowable Costs			
Provision for Losses - Allowance for Bad Debts	0		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions			0
Additional Allowable Costs			
FY 2023 SWCAP Costs	0		
Other	0		
Total Additions			0
Allowable Expenditures			12,811,455
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings	0		
Total Adjustments			0
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		\$13,109,692
Allowable Reserve (60 days)	(B)		2,105,993
Excess Balance (A) - (B)			11,003,699
PART II CONTRIBUTED CAPITAL BALANCE			
CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			(2,699,300)
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In	0		
Less: Transfers Out	0		
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		(\$2,699,300)
PART III ADJUSTMENTS BALANCE			
ADJUSTMENTS BALANCE JULY 1, 2022			(249,805)
ADJUSTMENTS:			
Deductions Unallowable Costs	0		
Additional Allowable Costs	0		
Imputed Interest Earnings	0		
Total Adjustments			0
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		(\$249,805)
PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE			
RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	\$10,160,587

***GSD RISK MANAGEMENT DIVISION – STATE UNEMPLOYMENT
COMPENSATION***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Risk Management Division
State Unemployment Compensation**

I. Service Description

The State Unemployment Compensation Reserve accounts for the administration of all contributions collected from state agencies and payments made to state employee beneficiaries pursuant to the Unemployment Compensation Law. The fund is self-insured and financing is provided through billings to State departments/agencies and interest earned on invested funds. The fund is administered by the Risk Management Division of the General Services Department (GSD).

II. Financial Statements

All financial activities associated with state unemployment compensation are recorded in a GSD non-major enterprise fund. The fund is Fund 353, the State Unemployment Compensation Reserve Fund. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "State Unemployment Compensation". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 73 and 75.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 77.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

The billing rates are developed and based on information provided by the Department of Workforce Solutions on actual reimbursements made to that agency to reimburse unemployment payments made to prior state and school covered employees. Payments

covering three years are averaged against a recommended cash reserve provided by a third party administrator, TALX, and a percentage applied to bring each entity's reserve toward sufficiency. The percentage includes administrative costs to manage the Fund and is authorized for transfer from Fund 353 to the Risk Management Operating Fund and GSD Program Support in the General Appropriations Act. In addition, the billing rates are developed in conjunction with information contained in the actuarial study of the various funds managed by the GSD Risk Management Division. The actuarial data is a mathematical model used to project the unemployment claims paid out versus the annual premiums required to maintain the fund.

VI. Billing Rates

Since the cost of claims is known by department/agency, an actual dollar amount that represents a specific department/agencies premium is computed and billed to each department/agency.

VII. Actuarial Report

The actuarial report covering this Fund has been provided as a separate document titled "Actuarial Study of the Self-Insured Workers Compensation, Public Liability, Surety Bond, Public Property and State Unemployment Compensation Programs as of June 30, 2023".

VIII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent calculations.

This concludes the narrative information on the GSD Risk Management Division State Unemployment Compensation Reserve Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE STATE UNEMPLOYMENT COMPENSATION RESERVE (FUND 353)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$8,455,291
Interest Receivables	0
Accounts/Trade Receivables	145,534
Allowance for Doubtful Accounts	(145,534)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>8,455,291</u>
Noncurrent Assets:	
Capital Assets	0
Accumulated Depreciation	0
Total Noncurrent Assets	<u>0</u>
Total Assets	<u><u>\$8,455,291</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$3,985,408
Accounts Payable	902,961
Deferred Revenue	0
Accrued Expenses	0
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	0
Total Current Liabilities	<u>4,888,369</u>
Long-Term Debt	
Claims Payable	<u>0</u>
Total Liabilities	<u>4,888,369</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	0
Restricted for Insurance/Claims	0
Unrestricted	<u>3,566,922</u>
Total Net Assets	<u>3,566,922</u>
Total Liabilities and Net Assets	<u><u>\$8,455,291</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 73 and 75.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE STATE UNEMPLOYMENT COMPENSATION RESERVE (FUND 353)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$0
Interest Income		214,452
Other Revenue		110,938
Total Operating Revenues		<u>325,390</u>
Operating Expenses		
Current Expenses		
Personal Services	\$0	
Employee Benefits	0	
In-State Travel	0	
Out-of-State Travel	0	
Maintenance and Repairs	0	
Supplies	0	
Contractual Services	44,640	
Allowance for Bad Debts	0	
Operating Costs	5,598,087	
Other Costs	0	
	<u>0</u>	5,642,727
Depreciation		0
Capital Outlays		0
Total Operating Expenses		<u>5,642,727</u>
Operating Income (Loss)		<u>(5,317,337)</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfer		0
Other Financing Sources		
General Appropriation	0	
Other State Agency Transfers	0	
Other State Funds	0	0
Other Financing (Uses)		
General Appropriation	0	
Other State Agency Transfers	0	0
Total Nonoperating Revenue (Expenses)	<u>0</u>	<u>0</u>
Income Before Transfers		<u>(5,317,337)</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		(5,317,337)
Net Assets - Beginning of Year, as Previously Reported		8,884,260
Restatement of Net Assets		<u>0</u>
Net Assets - End of Year		<u><u>\$3,566,922</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 77.		

STATE OF NEW MEXICO
 THE STATE UNEMPLOYMENT COMPENSATION RESERVE (FUND 353)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			\$20,754,544
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue		\$0	
Interest Income		214,452	
Other Revenue		110,938	
Gain on Disposal of Assets		0	
Other Financing Sources		0	
Total Revenues			325,390
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses		5,642,727	
Depreciation		0	
Intra-agency transfers (Risk Management Operating Fund 352)		0	
Capital Outlays		0	
Disposal of Assets - Loss		0	
Other Financing Uses		0	
Total Per Financial Statements		5,642,727	
Deductions Unallowable Costs			
Provision for Losses - Allowance for Bad Debts	0		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions			0
Additional Allowable Costs			
FY 2023 SWCAP Costs	0		
Other	0		
Total Additions			0
Allowable Expenditures			5,642,727
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings	0		
Total Adjustments			0
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		\$15,437,206
Allowable Reserve (60 days)	(B)		927,572
Excess Balance (A) - (B)			14,509,635

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			(8,750,000)
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In		0	
Less: Transfers Out		0	
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		(\$8,750,000)

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			(3,120,284)
ADJUSTMENTS:			
Deductions Unallowable Costs		0	
Additional Allowable Costs		0	
Imputed Interest Earnings		0	
Total Adjustments			0
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		(\$3,120,284)

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	\$3,566,922
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GSD RISK MANAGEMENT DIVISION – SURETY BOND

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Risk Management Division
Surety Bond Coverage**

I. Service Description

The Surety Bond Fund accounts for surety bond coverage of all or any portion of the surety bond risk of State departments/agencies covered by a surety bond certificate of coverage issued by Risk Management Division (RMD) of the General Services Department (GSD). This is a self-insurance fund. Financing is provided through the collection or transfer of funds from each State department/agency to cover costs of coverage of employees of each department/agency and from interest earned on investments. The Fund is administered by the Risk Management Division of the General Services Department (GSD).

II. Financial Statements

All financial activities associated with the Fund are recorded in a GSD non-major enterprise fund. The fund is Fund 358, the Surety Bond Fund. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for non-major enterprise funds under the heading of "Surety Bond". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 73 and 75.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 77.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

The billing rates are developed based on information contained in the actuarial study of the various funds managed by the GSD Risk Management Division. In addition, an administrative cost that includes an allocation from the State-wide cost allocation plan, an assessment from the GSD Office of the Secretary, the GSD Administrative Services Division, and the Risk Management Operating Fund is added to the cost factor. The total premium is basically computed as follows:

1. A loss development factor is computed by computing an average of the last five years for the “limited reported incurred losses” and dividing that by the average of the last five years “projected ultimate limited losses”.
2. Multiply the total losses of the prior five years “limited reported incurred losses” by the loss development factor and dividing the result by 5 to obtain an “Annual Base Premium”.
3. Add director adjustment, if any, plus any other special/designated premiums.
4. Multiply the result in step 3 by an “exposure” and “experience” factor.

VI. Billing Rates

Since the cost of claims is known by department/agency, an actual dollar amount that represents a specific department/agencies premium is computed and billed to each department/agency.

VII. Actuarial Report

The actuarial report covering this Fund has been provided as a separate document titled “Actuarial Study of the Self-Insured Workers Compensation, Public Liability, Surety Bond, Public Property and State Unemployment Compensation Programs as of June 30, 2023”.

VIII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent calculations.

This concludes the narrative information on the GSD Risk Management Division Surety Bond Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE SURETY BOND (FUND 358)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$62,591
Interest Receivables	0
Accounts/Trade Receivables	247,498
Allowance for Doubtful Accounts	(247,498)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>62,591</u>
Noncurrent Assets:	
Capital Assets	0
Accumulated Depreciation	0
Total Noncurrent Assets	<u>0</u>
Total Assets	<u><u>\$62,591</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$1,717
Accounts Payable	4,400
Deferred Revenue	0
Accrued Expenses	0
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	0
Total Current Liabilities	<u>6,117</u>
Long-Term Liabilities	
Claims Payable	<u>1,213</u>
Total Liabilities	<u>7,330</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	0
Restricted for Insurance/Claims	0
Unrestricted	<u>55,261</u>
Total Net Assets	<u>55,261</u>
Total Liabilities and Net Assets	<u><u>\$62,591</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 73 - 75.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE SURETY BOND (FUND 358)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$35,106
Interest Income		1,146
Other Revenue		0
Total Operating Revenues		<u>36,252</u>
Operating Expenses		
Current Expenses		
Personal Services	\$0	
Employee Benefits	0	
In-State Travel	0	
Out-of-State Travel	0	
Supplies	0	
Contractual Services	0	
Bad Debt	0	
Operating Costs	37,695	
Other Costs	0	
Depreciation		0
Capital Outlays		0
Total Operating Expenses		<u>37,695</u>
Operating Income (Loss)		<u>(1,443)</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfer		0
Other Financing Sources		
General Appropriation	0	
Other State Agency Transfers	0	
Other State Funds	0	0
Other Financing (Uses)		
General Appropriation	0	
Other State Agency Transfers	0	0
Total Nonoperating Revenue (Expenses)		<u>0</u>
Income Before Transfers		<u>(1,443)</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		(1,443)
Net Assets - Beginning of Year, as Previously Reported		56,704
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u><u>\$55,261</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 77.		

STATE OF NEW MEXICO
THE SURETY BOND (FUND 358)
RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			\$287,914
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$35,106		
Interest Income	1,146		
Other Revenue	0		
Gain on Disposal of Assets	0		
Other Financing Sources	0		
Total Revenues		36,252	
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	37,695		
Depreciation	0		
Intra-agency transfers (Risk Management Operating Fund 352)	0		
Capital Outlays	0		
Disposal of Assets - Loss	0		
Other Financing Uses	0		
Total Per Financial Statements	37,695		
Deductions Unallowable Costs			
Provision for Losses	0		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions		0	
Additional Allowable Costs			
FY 2023 SWCAP Costs	0		
Other	0		
Total Additions		0	
Allowable Expenditures		37,695	
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings	0		
Total Adjustments		0	
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		\$286,471
Allowable Reserve (60 days)	(B)	6,196	
Excess Balance (A) - (B)		280,275	

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			0
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In	0		
Less: Transfers Out	0		
Net Transfers		0	
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$0

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			(231,210)
ADJUSTMENTS:			
Deductions Unallowable Costs	0		
Additional Allowable Costs	0		
Imputed Interest Earnings	0		
Total Adjustments		0	
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		(\$231,210)

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	\$55,261
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***GSD RISK MANAGEMENT DIVISION – PUBLIC LIABILITY
INSURANCE***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Risk Management Division
Public Liability Insurance**

I. Service Description

The Public Liability Fund provides for liability insurance for State departments/agencies and their employees, and for any local public body participating in the Fund and pays claims and judgments against governmental entities or their employees covered by a certificate of coverage. This is a self-insurance fund. Financing is provided through collections and transfers from governmental entities and interest earned on invested funds. The Fund is administered by the Risk Management Division of the General Services Department (GSD).

II. Financial Statements

All financial activities associated with the Fund are recorded in a GSD enterprise fund. The fund is Fund 357. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for enterprise funds under the heading of "357 Public Liability". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 73 and 75.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 77.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

The billing rates are developed based on information contained in the actuarial study of the various funds managed by the GSD Risk Management Division. In addition, an administrative cost that includes an allocation from the State-wide cost allocation plan, an assessment from the GSD Office of the Secretary, the GSD Administrative Services Division, and the Risk Management Operating Fund is added to the cost factor. The total premium is basically computed as follows:

1. A loss development factor is computed by computing an average of the last five years for the “limited reported incurred losses” and dividing that by the average of the last five years “projected ultimate limited losses”.
2. Multiply the total losses of the prior five years “limited reported incurred losses” by the loss development factor and dividing the result by 5 to obtain an “Annual Base Premium”.
3. Add director adjustment, if any, plus any other special/designated premiums.
4. Multiply the result in step 3 by an “exposure” and “experience” factor.

VI. Billing Rates

Since the cost of claims is known by department/agency, an actual dollar amount that represents a specific department/agencies premium is computed and billed to each department/agency.

VII. Actuarial Report

The actuarial report covering this Fund has been provided as a separate document titled “Actuarial Study of the Self-Insured Workers Compensation, Public Liability, Surety Bond, Public Property and State Unemployment Compensation Programs as of June 30, 2023”.

VIII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent calculations.

This concludes the narrative information on the GSD Risk Management Division Public Liability Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE PUBLIC LIABILITY (FUND 357)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$43,191,330
Interest Receivables	0
Accounts/Trade Receivables	95,828
Allowance for Doubtful Accounts	(10,981)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>43,276,177</u>
Noncurrent Assets:	
Capital Assets	0
Accumulated Depreciation	<u>0</u>
Total Noncurrent Assets	<u>0</u>
Total Assets	<u><u>\$43,276,177</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$51,798,255
Accounts Payable	1,709,710
Unearned Revenue	0
Accrued Expenses	0
Due to Other Funds	0
Due to Other Agencies	0
Accrued Compensated Absences	0
Total Current Liabilities	<u>53,507,965</u>
Long-Term Liabilities	
Claims Payable	<u>62,522,630</u>
Total Liabilities	<u>116,030,595</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	
Unrestricted	<u>(72,754,418)</u>
Total Net Assets	<u>(72,754,418)</u>
Total Liabilities and Net Assets	<u><u>\$43,276,177</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 73 and 75.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE PUBLIC LIABILITY (FUND 357)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$39,039,307
Interest Income		1,009,243
Other Revenue		128,226
Total Operating Revenues		<u>40,176,776</u>
Operating Expenses		
Current Expenses		
Personal Services	\$0	
Employee Benefits	0	
In-State Travel	0	
Maintenance and Repairs	0	
Supplies	0	
Contractual Services	0	
Bad Debts	0	
Operating Costs	71,004,421	
Other Costs	0	
Depreciation	<u>0</u>	71,004,421
Capital Outlays		0
Total Operating Expenses		<u>71,004,421</u>
Operating Income (Loss)		<u>(30,827,645)</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfers		(3,470,500)
Intra-Agency Transfers Out - Capital Assets		
Other Financing Sources		
General Appropriation	0	
Other State Agency Transfers	0	
Other Financing (Uses)		
Reversion to State General Fund	0	
Other State Agency Transfers Out - Capital Assets	0	
Total Nonoperating Revenue (Expenses)	<u>0</u>	<u>(3,470,500)</u>
Income Before Transfers		<u>(34,298,145)</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		0
Total Transfers		<u>0</u>
Change in Net Assets		(34,298,145)
Net Assets - Beginning of Year, as Previously Reported		(38,456,273)
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u><u>(\$72,754,418)</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Pages 77.		

STATE OF NEW MEXICO
 THE PUBLIC LIABILITY (FUND 357)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$19,800,858)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$39,039,307		
Interest Income	1,009,243		
Other Revenue	128,226		
Gain on Disposal of Assets	0		
Other Financing Sources	0		
Total Revenues			40,176,776
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	71,004,421		
Depreciation	0		
Intra-agency transfers (Risk Management Operating Fund 352)	3,470,500		
Intra-agency transfers Capital Assets	0		
Capital Outlays	0		
Disposal of Assets - Loss	0		
Other Financing Uses	0		
Total Per Financial Statements	74,474,921		
Deductions Unallowable Costs			
Provision for Losses	0		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions			0
Additional Allowable Costs			
FY 2023 SWCAP Costs	0		
Other	0		
Total Additions			0
Allowable Expenditures			74,474,921
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings	0		
Total Adjustments			0
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$54,099,003)
Allowable Reserve (60 days)	(B)		12,242,453
Excess Balance (A) - (B)			(66,341,456)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			(21,500,000)
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In	0		
Less: Transfers Out	0		
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		(\$21,500,000)

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			2,844,585
ADJUSTMENTS:			
Deductions Unallowable Costs	0		
Additional Allowable Costs	0		
Imputed Interest Earnings	0		
Total Adjustments			0
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$2,844,585

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	(\$72,754,418)
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***GSD RISK MANAGEMENT DIVISION – WORKERS’
COMPENSATION***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Risk Management Division
Workers' Compensation**

I. Service Description

The Workers' Compensation Retention Fund accounts for the purchase and administration of workers' compensation insurance and provides appropriate reserves for workers' compensation coverage for employees of State agencies. Workers' compensation coverage is provided to pay benefits prescribed by law for all employees. This coverage also includes employer liability and occupational disease and disablement. This is a self-insurance fund. Financing is provided through collections and transfers from State departments/agencies to cover costs of coverage of employees of that agency and interest earned on invested funds. The Fund is administered by the Risk Management Division of the General Services Department (GSD).

II. Financial Statements

All financial activities associated with the Fund are recorded in a GSD enterprise fund. The fund is Fund 359, the Workers' Compensation Retention Fund. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for enterprise funds under the heading of "359 Workers' Compensation Retention". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 74 and 76.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 78.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

The billing rates are developed based on information contained in the actuarial study of the various funds managed by the GSD Risk Management Division. In addition, an administrative cost that includes an allocation from the State-wide cost allocation plan, an assessment from the GSD Office of the Secretary, the GSD Administrative Services Division, and the Risk Management Operating Fund is added to the cost factor. The total premium is basically computed as follows:

1. A loss development factor is computed by computing an average of the last five years for the “limited reported incurred losses” and dividing that by the average of the last five years “projected ultimate limited losses”.
2. Multiply the total losses of the prior five years “limited reported incurred losses” by the loss development factor and dividing the result by 5 to obtain an “Annual Base Premium”.
3. Add director adjustment, if any, plus any other special/designated premiums.
4. Multiply the result in step 3 by an “exposure” and “experience” factor.

VI. Billing Rates

Since the cost of claims is known by department/agency, an actual dollar amount that represents a specific department/agencies premium is computed and billed to each department/agency.

VII. Actuarial Report

The actuarial report covering this Fund has been provided as a separate document titled “Actuarial Study of the Self-Insured Workers Compensation, Public Liability, Surety Bond, Public Property and State Unemployment Compensation Programs as of June 30, 2023”.

VIII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund’s retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent calculations.

This concludes the narrative information on the GSD Risk Management Division Workers’ Compensation Retention Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE WORKER'S COMPENSATION RETENTION (FUND 359)

	FUND TOTAL
Assets:	
Current Assets:	
State General Fund Investment Pool	\$40,063,092
Interest Receivables	0
Accounts/Trade Receivables	100,127
Allowance for Doubtful Accounts	(100,127)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>40,063,092</u>
Noncurrent Assets:	
Capital Assets	0
Accumulated Depreciation	0
Total Noncurrent Assets	<u>0</u>
Total Assets	<u><u>\$40,063,092</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$13,808,044
Accounts Payable	295,079
Stale Dated Warrants	0
Accrued Expenses	1,522
Due to Other Funds	0
Due to Other Agencies	0
Loan Payable	0
Accrued Compensated Absences	0
Total Current Liabilities	<u>14,104,645</u>
Long-Term Liabilities	
Claims Payable	<u>45,478,910</u>
Total Liabilities	<u>59,583,555</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	0
Restricted for Insurance/Claims	0
Unrestricted	<u>(19,520,463)</u>
Total Net Assets	<u>(19,520,463)</u>
Total Liabilities and Net Assets	<u><u>\$40,063,092</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 74 and 76.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE WORKER'S COMPENSATION RETENTION (FUND 359)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$20,816,694
Interest Income		849,181
Other Revenue		324,455
Total Operating Revenues		<u>21,990,330</u>
Operating Expenses		
Current Expenses		
Personal Services	\$0	
Employee Benefits	0	
In-State Travel	0	
Out-of-State Travel	0	
Maintenance and Repairs	32,875	
Supplies	0	
Contractual Services	1,380,435	
Allowance for Bad Debts	0	
Operating Costs	13,581,837	
Other Costs	<u>0</u>	14,995,147
Depreciation		0
Capital Outlays		<u>0</u>
Total Operating Expenses		<u>14,995,147</u>
Operating Income (Loss)		<u>6,995,183</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfer		(6,531,000)
Intra-agency Transfer Capital Assets		0
Other Financing Sources		
General Appropriation	0	
Other State Agency Transfers	0	
Other Financing (Uses)		
General Appropriation	0	
Other State Agency Transfers	<u>0</u>	0
Total Nonoperating Revenue (Expenses)		<u>(6,531,000)</u>
Income Before Transfers		<u>464,183</u>
Transfers		
Transfers From Other Funds		0
Transfers To Other Funds		<u>0</u>
Total Transfers		<u>0</u>
Change in Net Assets		464,183
Net Assets - Beginning of Year, as Previously Reported		(19,984,646)
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u><u>(\$19,520,463)</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 78.		

STATE OF NEW MEXICO
 THE WORKER'S COMPENSATION RETENTION (FUND 359)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$15,426,349)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$20,816,694		
Interest Income	849,181		
Other Revenue	324,455		
Other Financing Sources	0		
Total Revenues			21,990,330
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	14,995,147		
Depreciation	0		
Intra-agency transfers (Risk Management Operating Fund 352)	6,531,000		
Intra-agency transfers (Capital Assets)	0		
Capital Outlays	0		
Disposal of Assets - Loss	0		
Other Financing Uses (Prior year warrant cancellation)	0		
Total Per Financial Statements	21,526,147		
Deductions Unallowable Costs			
Provision for Losses - Allowance for Bad Debts	0		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions			0
Additional Allowable Costs			
FY 2023 SWCAP Costs	0		
Other	0		
Total Additions			0
Allowable Expenditures			21,526,147
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings	0		
Total Adjustments			0
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$14,962,166)
Allowable Reserve (60 days)	(B)		3,538,545
Excess Balance (A) - (B)			(18,500,711)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			(3,000,000)
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In	0		
Less: Transfers Out	0		
Net Transfers			0
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		(\$3,000,000)

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			(1,558,297)
ADJUSTMENTS:			
Deductions Unallowable Costs	0		
Additional Allowable Costs	0		
Imputed Interest Earnings	0		
Total Adjustments			0
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		(\$1,558,297)

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	(\$19,520,463)
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***GSD RISK MANAGEMENT DIVISION – GROUP HEALTH AND
LIFE INSURANCE***

**State of New Mexico
FY 2025 Statewide Cost Plan
Section II Billed Costs Information**

**GSD Risk Management Division
Group Health and Life Insurance**

I. Service Description

The Group Insurance Premium Stabilization Fund is used to account for money appropriated, employers' contributions, employees' contributions, insurance proceeds, and other income from group life, vision care, dental care, health, and disability insurance plans pursuant to State law. Disbursements in the forms of payments for related services are also made pursuant to State law. The Fund also is used to account for premiums collected under the Consolidated Omnibus Budget Reconciliation Act (COBRA) from former employees who have elected to continue their health insurance coverage under the group insurance plans. The Fund is administered by the Risk Management Division of the General Services Department (GSD).

II. Financial Statements

All financial activities associated with the Fund are recorded in a GSD enterprise fund. The fund is Fund 752. Financial statements for the Fund are presented in GSD audited Independent Accountants' Reports and Financial Statements (Audit) on the statements for enterprise funds under the heading of "752 Group Insurance Premium Stabilization". The following exhibits are provided in this document:

1. Exhibit A: Combining Statement of Net Position – Proprietary Funds (Internal Service) – the statement is presented in GSD's Audit on pages 74 and 76.
2. Exhibit B: Combining Statement of Revenues, Expenses, and Changes in Net Position – the statement is presented in GSD's Audit on page 78.

III. Non-Operating Transfers

1. Non-operating transfers in from other funds – There were no non-operating transfers in during the fiscal year ended June 30, 2023.
2. Non-operating transfers out to other funds – There were no non-operating transfers out during the fiscal year ended June 30, 2023.

IV. Prior Year Adjustments

There were no prior year adjustments to the fund balance during the fiscal year ended June 30, 2023.

V. Billing Methodology

Each year an analysis is made of the revenue generated versus the claims paid by type of coverage, by employee status (i.e., single, family, etc.). Based on this analysis and actuarially determined reserve requirements, an adjustment in the premium rates by type of coverage and by employee status is computed. This is a self-insurance fund. Financing is provided through collections and transfers from governmental entities and interest earned on invested funds

VI. Actuarial Report

The actuarial report covering this Fund has been provided as a separate document.

VII. Reconciliation

1. Fund Reconciliation - Exhibit C provides a reconciliation of the Fund's retained earnings balance to Federal principles as presented in U.S. Office of Management and Budget publication 2 CFR, Part 200, Appendix V.
2. Treatment of Variances - The intent of the legislation creating the Fund was that the Fund should be self sustaining through the assessment of charges for services that are sufficient to cover all direct and indirect costs associated with the operation of the Fund. Therefore, any over/under recovery of costs will be included in subsequent calculations.

This concludes the narrative information on the GSD Risk Management Division Group Insurance Premium Stabilization Fund. The previously noted exhibits are provided on the following pages.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2023

THE GROUP INSURANCE PREMIUM STABILIZATION (FUND 752)

	<u>FUND TOTAL</u>
Assets:	
Current Assets:	
State General Fund Investment Pool	\$0
Interest Receivables	0
Accounts/Trade Receivables	46,033,270
Allowance for Doubtful Accounts	(23,871,797)
Due from/(to) Other Funds	0
Due from Other Agencies	0
Inventories	0
Total Current Assets	<u>22,161,473</u>
Noncurrent Assets:	
Capital Assets	
Accumulated Depreciation	
Total Noncurrent Assets	<u>0</u>
Total Assets	<u><u>\$22,161,473</u></u>
Liabilities:	
Current Liabilities	
Claims Payable	\$52,327,232
Accounts Payable	33,137,638
Deferred Revenue	0
Accrued Expenses	350
Overdraft to State General Fund Investment Pool	60,698,086
Due to Other Agencies	0
Unearned Revenue	189,272
Accrued Compensated Absences	0
Total Current Liabilities	<u>146,352,578</u>
Long-Term Debt	
Compensated Absences Payable	<u>0</u>
Total Liabilities	<u>146,352,578</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	0
Restricted for Insurance/Claims	0
Unrestricted	<u>(124,191,105)</u>
Total Net Assets	<u>(124,191,105)</u>
Total Liabilities and Net Assets	<u><u>\$22,161,473</u></u>
Source of Information:	
Independent Accountant's Reports and Financial Statements - Pages 74 and 76.	

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2023

THE GROUP INSURANCE PREMIUM STABILIZATION (FUND 752)

		FUND TOTAL
Operating Revenues		
Service Fees/Premiums		\$395,799,204
Interest Income		0
Other Gifts and Grants		0
Other Revenue		5,956,657
Total Operating Revenues		<u>401,755,861</u>
Operating Expenses		
Current Expenses		
Personal Services	\$0	
Employee Benefits	0	
In-State Travel	0	
Maintenance and Repairs	0	
Supplies	0	
Contractual Services	0	
Operating Costs	463,521,405	
Other Costs	0	
Depreciation		0
Capital Outlays		0
Total Operating Expenses		<u>463,521,405</u>
Operating Income (Loss)		<u>(61,765,544)</u>
Non Operating Revenues (Expenses)		
Intra-agency Transfer		0
Other Financing Sources		
General Appropriation	0	
Other State Agency Transfers	21,722,877	
Other State Funds	0	
Other Financing (Uses)		
General Appropriation	34,540,000	
Other State Agency - Grants	0	
Total Nonoperating Revenue (Expenses)		<u>56,262,877</u>
Income Before Transfers		<u>(5,502,667)</u>
Transfers		
Intra-Agency Transfer In		412,780
Transfers To Other Funds		0
Total Transfers		<u>412,780</u>
Change in Net Assets		(5,089,887)
Net Assets - Beginning of Year, as Previously Reported		(119,101,218)
Adjustments Applicable to Prior Year		<u>0</u>
Net Assets - End of Year		<u><u>(\$124,191,105)</u></u>
Source of Information:		
Independent Accountant's Reports and Financial Statements - Page 78.		

STATE OF NEW MEXICO
 THE GROUP INSURANCE PREMIUM STABILIZATION (FUND 752)
 RECONCILIATION OF RETAINED EARNINGS BALANCE TO FEDERAL GUIDELINES
 AS OF JUNE 30, 2023

PART I RETAINED EARNINGS BALANCE

RETAINED EARNINGS BALANCE JULY 1, 2022			
Balance Per Prior Year's Reconciliation of Fund to			(\$123,903,879)
FY 2023 RETAINED EARNINGS INCREASE(DECREASE) Per ACFR			
Revenues			
Service Fees/Revenue	\$395,799,204		
Interest Income	0		
Other Gifts and Grants (Federal)	0		
Other Revenue	5,956,657		
Other Financing Sources	21,722,877		
Total Revenues			423,478,738
Expenditures (Actual Costs):			
Per State's Financial Report			
Current Operating Expenses	463,521,405		
Depreciation	0		
Intra-agency transfers (Risk Management Operating Fund 352)	0		
Capital Outlays	0		
Disposal of Assets - Loss	0		
Other Financing Uses	(34,540,000)		
Total Per Financial Statements	428,981,405		
Deductions Unallowable Costs			
Provision for Losses	0		
Less Capital Outlay \$5,000 or Greater	0		
Other	0		
Total Deductions			0
Additional Allowable Costs			
FY 2023 SWCAP Costs	0		
Other	0		
Total Additions			0
Allowable Expenditures			428,981,405
Adjustments:			
Prior Period Adjustments	0		
Imputed Interest Earnings	0		
Total Adjustments			0
RETAINED EARNINGS BALANCE JUNE 30, 2023	(A)		(\$129,406,546)
Allowable Reserve (60 days)	(B)		70,517,491
Excess Balance (A) - (B)			(199,924,037)

PART II CONTRIBUTED CAPITAL BALANCE

CONTRIBUTED CAPITAL BALANCE JULY 1, 2022			0
TRANSFERS Per ACFR (Supported By Official Accounting Records)			
Plus: Transfers In	412,780		
Less: Transfers Out	0		
Net Transfers			412,780
CONTRIBUTED CAPITAL BALANCE JUNE 30, 2023	(C)		\$412,780

PART III ADJUSTMENTS BALANCE

ADJUSTMENTS BALANCE JULY 1, 2022			4,802,661
ADJUSTMENTS:			
Deductions Unallowable Costs	0		
Additional Allowable Costs	0		
Imputed Interest Earnings	0		
Total Adjustments			0
ADJUSTMENTS BALANCE JUNE 30, 2023	(D)		\$4,802,661

PART IV RECON OF R.E., CONTRIB CAPITAL & ADJUST BALANCES TO ACFR BALANCE

RECONCILIATION OF R.E., CONTR. CAPITAL & ADJUST. BALANCES TO ACFR		(A) + (C) + (D)	(\$124,191,105)
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THE END
