New Issue

This Official Statement ("Official Statement") has been prepared by the State Board of Finance to provide information on the State of New Mexico $63,825,000 Capital Projects General Obligation Bonds, Series 2026 (the "Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision, a prospective investor should read the entire Official Statement. Certain capitalized terms used in the cover page and elsewhere in this Official Statement have the meanings given in the Official Statement.

$63,825,000
THE STATE OF NEW MEXICO
CAPITAL PROJECTS GENERAL OBLIGATION BONDS
SERIES 2026

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

Ratings on the Bonds	"Aa1" Moody's Investors Service "AA" S&P Global Ratings
Tax Exemption	In the opinion of Taft Stettinius & Hollister LLP, Tax Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds (defined herein) is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. See "TAX MATTERS" herein. Tax Counsel is also of the opinion that the interest on the Bonds is exempt from income taxation by the State of New Mexico. The Bonds have not been designated as "qualified tax-exempt obligations" for purpose of Section 265(b)(3) of the Code.
No Optional Redemption	The Bonds will not be subject to optional redemption prior to maturity.
Source of Payment	The Bonds are being issued under the authority of the 2024 Capital Projects General Obligation Bond Act (the "Act"). The Act authorizes and directs State tax officials to levy on all property in the State that is subject to taxation an ad valorem tax sufficient to produce an amount equal to the interest and principal requirements for each year for any Bonds outstanding. The Bonds are general obligations of the State, and the full faith and credit of the State is pledged to the payment of Bonds issued under the Act.
Purposes	Net proceeds of the Bonds are being used to make capital expenditures for (i) certain senior citizen facility improvements, construction and equipment acquisitions; (ii) certain library acquisitions; and (iii) capital improvements and equipment acquisitions at certain institutions of higher education, state special schools and tribal schools, all as set forth in the Act and approved by the voters of the State on November 5, 2024, as specified in the Act.
Interest Payment Dates	March 1 and September 1, commencing September 1, 2026.
Closing/Settlement	On or about January 28, 2026.
Public Sale	The Bonds were sold pursuant to a competitive bidding process on January 21, 2026.
Denominations	$5,000 or integral multiples thereof
Book-Entry System	The Depository Trust Company
Registrar/Paying Agent	State Treasurer of New Mexico
Bond Counsel	Rodey, Dickason, Sloan, Akin & Robb, P.A.
Disclosure Counsel	Kutak Rock LLP
Tax Counsel	Taft Stettinius & Hollister LLP
Issuer Contact	State Board of Finance: Ashley Leach, Director, 505-629-9745; ashley.leach@dfa.nm.gov

Date of Official Statement: January 21, 2026.

MATURITY SCHEDULE

THE STATE OF NEW MEXICO
CAPITAL PROJECT GENERAL OBLIGATION BONDS, SERIES 2026

Maturity Date (March 1)	Principal Amount	Interest Rate	Yield at Issuance[1]	Price at Issuance[1]	CUSIP[2]
2027	63,825,000	5.000%	2.249%	102.947	647293 TL3

[1] This information has not been provided by the State.

[2] Copyright 2026 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the State and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Bonds. The State takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

ELECTED STATE OFFICIALS

MICHELLE LUJAN GRISHAM
Governor

MAGGIE TOULOUSE OLIVER
Secretary of State

HOWIE MORALES
Lieutenant Governor

LAURA M. MONTOYA
State Treasurer

JOSEPH M. MAESTAS
State Auditor

RAÚL TORREZ
Attorney General

STEPHANIE GARCIA RICHARD
Commissioner of Public Lands

Public Regulation Commissioners:

GABRIEL AGUILERA
Commissioner

GREG NIBERT
Commissioner

PAT O'CONNELL
Commissioner

STATE BOARD OF FINANCE
Ex Officio Members

GOVERNOR MICHELLE LUJAN GRISHAM
President

LT. GOVERNOR
HOWIE MORALES
Member

STATE TREASURER
LAURA M. MONTOYA
Member

Appointed Members

PAUL CASSIDY
Member

JOSEPH LUJAN
Member

WAYNE PROPST
Executive Officer

MICHAEL S. SANCHEZ
Secretary

WENDY TREVISANI
Member

State Board of Finance
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407 Galisteo Street
Santa Fe, New Mexico 87501
505-827-4980
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Ashley Leach, Director
505-629-9745

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

DISCLOSURE COUNSEL

Kutak Rock LLP
Denver, Colorado

TAX COUNSEL

Taft Stettinius & Hollister LLP
Albuquerque, New Mexico

FINANCIAL ADVISORS

Fiscal Strategies Group, Inc.
Boulder, Colorado

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

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

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

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

The State Board of Finance (the "Board") is the author of this Official Statement and is responsible for its accuracy and completeness. J.P. Morgan Securities LLC (the "Underwriter") purchased the Bonds pursuant to a public sale held on January 21, 2026. Both the Preliminary Official Statement and the Official Statement are "deemed final" by the Board for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

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

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SUMMARY OF INFORMATION

$63,825,000 STATE OF NEW MEXICO CAPITAL PROJECTS GENERAL OBLIGATION BONDS, SERIES 2026

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

Dated:	Delivery Date.
Interest Payment:	Interest is payable semi-annually on March 1 and September 1, commencing on September 1, 2026.
Principal Payment:	The Bonds mature in serial installments as set forth on the inside cover page of this Official Statement.
Redemption of Bonds:	The Bonds will not be subject to optional redemption prior to maturity.
Registration:	The Bonds are being issued solely in book-entry form in the denomination of $5,000 or any integral multiple thereof. The Bonds are being registered to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as depository.
Legal Opinion:	The Bonds are offered when, as and if issued, subject to the approval of legality by Rodey, Dickason, Sloan, Akin & Robb, P.A., Bond Counsel and approval of tax-related matters by Taft Stettinius & Hollister LLP, Tax Counsel.
Security:	The Bonds are being issued under the authority of the 2024 Capital Projects General Obligation Bond Act, Chapter 64, Laws 2024 (the "Act"). The Act authorizes and directs State tax officials to levy on all property in the State that is subject to taxation an ad valorem tax sufficient to produce an amount equal to the interest and principal requirements for each year for any general obligation bonds outstanding. The Bonds are general obligations of the State, and the full faith and credit of the State is pledged to the payment of Bonds issued under the Act.
Limitation to the Issuance of Additional General Obligation Indebtedness:	Section 8 of Article IX of the New Mexico State Constitution provides (in part) that no debt may be created if the total indebtedness of the State would thereby be made to exceed one percent of the assessed valuation of all the property subject to taxation in the State. Any subsequent issuance of general obligation bonds (other than refunding bonds) and any levy of additional ad valorem taxes for payment thereof are subject to approval of the voters.

STATE GENERAL OBLIGATION BONDS

General obligation bonds outstanding before issuance of the Bonds	$453,590,000*
Plus: The Bonds	63,825,000
Total State General Obligation Bonds, following delivery of the Bonds	$517,415,000

*On January 21, 2026, $105,185,000 of previously outstanding general obligation bonds were defeased.

KEY BONDING MEASURES FOLLOWING THE ISSUANCE OF THE BONDS

Total General Obligation Bonds per capita (2024 Estimate from Census Bureau)	$242.89
Ratio of General Obligation Bonds to 2025 Net Taxable, Value	0.459%
Ratio of General Obligation Bonds per capita to State 2024 estimated per capita personal income	0.417%
Percent of General Obligation Bonds due within 10 years	100.00%

OFFICIAL STATEMENT

THE STATE OF NEW MEXICO

$63,825,000
CAPITAL PROJECTS GENERAL OBLIGATION BONDS, SERIES 2026

INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover page, the Summary of Information and the Appendices hereto, is to furnish information regarding the issuance of the $63,825,000 State of New Mexico Capital Projects General Obligation Bonds, Series 2026 (the "Bonds"), the State of New Mexico (the "State"), and the State Board of Finance (the "Board").

The Bonds are general obligations of the State for the payment of which the full faith and credit of the State is pledged. The Bonds are payable from ad valorem taxes levied without limit as to rate or amount on all property in the State subject to taxation for State purposes. The Bonds are authorized in the maximum principal amount of $79,658,600 by the 2024 Capital Projects General Obligation Bond Act, (the "Act"), passed by the State Legislature (the "Legislature") and approved by the voters in a statewide election on November 5, 2024. See "THE BONDS," below. The Bonds are issued pursuant to an authorizing and delegation resolution of the Board adopted on December 16, 2025, as amended on January 15, 2026 (collectively, the "Bond Resolution"). The Bonds are being issued to make capital expenditures to finance (i) certain senior citizen facility improvements, construction and equipment acquisitions, (ii) certain library acquisitions, and (iii) capital improvements and acquisitions at certain institutions of higher education, state special schools and tribal schools, each as set forth in the Act.

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

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

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

THE BONDS

General Terms

The Bonds are dated their date of delivery, bear interest until the principal amount thereof is paid, and mature as set forth on the inside cover page hereof. Interest on the Bonds is payable on March 1 and September 1, commencing on September 1, 2026. The Bonds are being issued solely in book-entry form in denominations of $5,000 or integral multiples thereof. The Bonds are being registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as depository for the Bonds. The Bonds are subject to transfer and exchange as set forth in the transactions authorized by the State Board of Finance in its resolution of December 16, 2025, as amended January 15, 2026 (collectively, the "Bond Resolution").

No Optional Redemption of Bonds

The Bonds will not be subject to optional redemption prior to maturity.

Authorization and Purpose

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

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

Security for the Bonds

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

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

Currently the property taxes levied for State purposes are for the outstanding General Obligation Bonds, Series 2017A, Series 2019, Series 2021, Series 2023 and Series 2025 (collectively, the "Outstanding Bonds"). Property taxes are also levied for local government purposes including locally authorized general obligation bonds of various cities, counties, and school and special districts in the State.

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

OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS

Outstanding General Obligation Bonds

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

TABLE 1
General Obligation Bonds Outstanding
Upon Issuance of the Bonds

Series	Principal Outstanding
Series 2017A*	$ 19,625,000
Series 2019*	6,145,000
Series 2021	87,485,000
Series 2023	185,945,000
Series 2025*	154,390,000
The Bonds	63,825,000
Total	$517,415,000

*On January 21, 2026, $105,185,000 of previously outstanding Series 2017A, Series 2019 and Series 2025 General Obligation Bonds were defeased and are not included in these totals.

Source: New Mexico State Board of Finance

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TABLE 2
Debt Service Requirements on the Bonds[1]

Fiscal Year	Principal	Interest	Annual Total
2026	--	--	--
2027	$63,825,000	$3,483,781	$67,308,781
Total	$63,825,000	$3,483,781	$67,308,781

[1] Figures have been rounded to the nearest dollar.

TABLE 3
Future General Obligation Bond Debt Service Requirements
Upon Issuance of the Bonds [1]

Date	Principal on Outstanding Bonds	Interest on Outstanding Bonds	Total Outstanding Bonds Debt Service	The Bonds Debt Service	Total Debt Service on Outstanding Bonds and the Bonds	Fiscal Year Debt Service
03/01/26	$100,830,000	$11,540,400	$112,370,400	--	$112,370,400	$112,370,400
09/01/26	--	9,019,650	9,019,650	$1,888,156	10,907,806	--
03/01/27	38,105,000	9,019,650	47,124,650	65,420,625	112,545,275	123,453,081
09/01/27	--	8,067,025	8,067,025	--	8,067,025	--
03/01/28	37,675,000	8,067,025	45,742,025	--	45,742,025	53,809,050
09/01/28	--	7,071,650	7,071,650	--	7,071,650	--
03/01/29	56,185,000	7,071,650	63,256,650	--	63,256,650	70,328,300
09/01/29	--	5,667,025	5,667,025	--	5,667,025	--
03/01/30	45,470,000	5,667,025	51,137,025	--	51,137,025	56,804,050
09/01/30	--	4,383,125	4,383,125	--	4,383,125	--
03/01/31	50,485,000	4,383,125	54,868,125	--	54,868,125	59,251,250
09/01/31	--	3,121,000	3,121,000	--	3,121,000	--
03/01/32	42,670,000	3,121,000	45,791,000	--	45,791,000	48,912,000
09/01/32	--	2,054,250	2,054,250	--	2,054,250	--
03/01/33	44,805,000	2,054,250	46,859,250	--	46,859,250	48,913,500
09/01/33	--	934,125	934,125	--	934,125	--
03/01/34	18,225,000	934,125	19,159,125	--	19,159,125	20,093,250
09/01/34	--	478,500	478,500	--	478,500	--
03/01/35	19,140,000	478,500	19,618,500	--	19,618,500	20,097,000
Total	$453,590,000	$93,133,100	$546,723,100	$67,308,781	$614,031,881	$614,031,881

[1] Totals may not add due to rounding.

Mill Levy Rate

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

property tax remittances were 99.0 percent of the amount expected based on the final property tax valuations.

Limitations to the Issuance of Additional State General Obligation Bonds

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

1. The State may borrow money not exceeding the sum of two hundred thousand dollars ($200,000) in the aggregate to meet casual deficits or failure in revenue, or for necessary expenses.

2. Other debt may be contracted by or on behalf of the State only when authorized by law for some specified work or object. Such a law takes effect only after being submitted to the qualified electors of the State and having received a majority of all votes cast thereon at a general election. No debt may be created if the total indebtedness of the State, exclusive of the debts of the territory and several counties thereof assumed by the State, would thereby be made to exceed one percent of the assessed valuation of all property subject to taxation in the State, as shown by the last preceding general assessment.

3. The State may contract debts to suppress insurrection and to provide for the public defense.

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

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

TABLE 4
Calculation of 1% Bonding Limitation and the Bonds

Net Taxable Value as of December 31, 2025	$112,757,519,000
General Obligation Bond Limit (1% of net taxable value)	1,127,575,190
Total Outstanding Bonds	$ 453,590,000*
Plus: The Bonds	63,825,000
Total General Obligation Bonds	$ 517,415,000
Ratio of Total Debt to Net Taxable Value	0.459%

*On January 21, 2026, $105,185,000 of previously outstanding general obligation bonds were defeased and are not included in the total of Outstanding Bonds.

Source: Local Government Division and Fiscal Strategies Group

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Underlying General Obligation Bonds

The following table presents information on county, city, and public school district debt outstanding as of June 30, 2025. The table does not include debt of special districts or community colleges.

TABLE 5
Certain Underlying General Obligation Debt

Counties	$353,190,983
Cities	$682,608,150
Schools	$1,753,532,000

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

THE PROJECTS

Plan of Financing

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

TABLE 6
Source and Uses of Funds

Sources	**Total**[(1)]
Par Amount of Bonds	$63,825,000
Original Issue Premium	1,880,923
Total	$65,705,923
Uses	
Senior Citizen Facilities	$ 9,072,000
Library Acquisition Projects	7,000,000
Higher Education, Special Schools and Tribal Schools	49,300,000
Cost of Issuance	310,000
Underwriter's Discount	19,148
Additional Proceeds	4,775
Total	$65,705,923

(1) Totals may not add due to rounding

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

State Capital Program

State General Fund balances and proceeds from General Obligation Bonds, Senior Severance Tax Bonds and Supplemental Severance Tax Bonds are important sources of capital financing for the State. The following table summarizes the capital funding administered by the Board and certain other sources for Fiscal Year 2021 through Fiscal Year 2025.

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

	2021	2022	2023	2024	2025
Proceeds from General Obligation Bonding Program [1]					
General Obligation Bonds	$ 199.5	$ 0.0	$ 258.8	$ 0.00	$ 223.6
Subtotal	199.5	0.0	258.8	0.00	223.6
Proceeds from Severance Tax Bonding Program [1]					
Severance Tax Bonds	509.0	292.0	317.2	0.0	252.5
Severance Tax Funding Notes [2]	163.3	200.5	340.3	772.3	774.4
Supplemental Severance Tax Bonds	0.0	0.0	0.0	0.0	0.0
Supplemental Severance Tax Funding Notes[2]	232.9	268.2	681.9	733.4	540.7
Subtotal	905.2	760.7	1,339.4	1,505.7	1,567.6
Proceeds From Other Sources					
Transportation Bonds [3]	0.0	234.6	0.0	0.0	0.0
Subtotal	0.0	234.6	0.0	0.0	0.0
Total [4]	$1,104.7	$995.3	$1,598.2	$1,505.7	$1,791.2

[1] Dollar amounts from State Board of Finance funding programs reflect net proceeds available for capital expenditure. Amounts vary annually by legislative action and the timing of bond closings.
[2] The Board issues Senior Funding Notes and Supplemental Funding Notes to fund authorized projects. The notes are sold to the State Treasurer and retired within the same fiscal year.
[3] Dollar amounts for transportation bonds are for new bonds issued, and do not include refunding bonds.
[4] Totals may not add due to rounding.
Sources: New Mexico State Board of Finance and the New Mexico Finance Authority (as issuer of State Transportation Bonds)

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

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

GENERAL INFORMATION CONCERNING THE STATE OF NEW MEXICO

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

Governmental Organization

The Executive Branch of State government consists of a Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, Attorney General, and Commissioner of Public Lands. These officials are elected to four-year terms beginning January 1 after their election. An elected Executive Branch officer may succeed himself or herself in office once. The primary functions of the Executive Branch are currently carried out by the offices of each elected Executive Branch officeholder, in addition to approximately 22 cabinet departments, each headed by a cabinet secretary appointed by the Governor and approved by the Senate, and approximately 9 cabinet-level agencies. Elections for all statewide offices will be held in November 2026.

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

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

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

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

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

PROPERTY VALUATION AND TAXATION

Property Tax System

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In property tax year 2025, the percent of property tax obligations statewide (including oil and gas production and equipment tax) was $3,135,015,797.55 of which $153,353,040.09 (1.36%) was distributed for State debt service.

Property Tax Valuation Limitations

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

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

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

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

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

TABLE 8
Final Net Taxable Valuations
(Dollars in thousands)

Property Tax Year	Residential	Non-Residential	Oil and Gas	Copper	Net Taxable Value
2016	$33,533,677	$18,181,319	$ 4,982,793	$224,778	$ 56,922,567
2017	34,767,934	18,104,473	4,359,518	219,831	57,451,756
2018	35,934,821	18,266,388	6,338,179	199,561	60,698,949
2019	37,417,925	19,224,494	10,099,051	177,768	66,919,238
2020	38,832,638	20,154,146	11,525,822	153,889	70,666,495
2021	40,732,193	20,490,521	9,041,856	126,072	70,390,642
2022	43,214,986	22,139,100	18,485,867	133,668	88,517,562
2023	46,196,224	23,750,681	33,008,203	142,644	110,879,706
2024	48,855,581	25,442,567	27,396,647	170,911	108,183,362
2025	51,154,945	26,931,133	28,034,527	169,846	112,757,519

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

Property Tax Mill Levy Limitations

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

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

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

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

TABLE 9
Maximum Operating Mill Levy Rates

Counties	11.85
Cities	7.65
Schools	0.50
Maximum combined statutory rate	20.00

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

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

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

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

FINANCIAL OVERVIEW OF THE STATE

General Fund Revenues, Expenditures, and Ending Fund Balances

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

The following table lists audited revenues, expenditures and ending fund balances for Fiscal Years 2021 through 2025 and projections for Fiscal Year 2026.

TABLE 10
General Fund Financial Summary
Fiscal Year 2021 – 2025 and Fiscal Year Projected 2026
(Dollars in thousands)

		Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025	Projected 2026
A.	**APPROPRIATION ACCOUNT**						
	Recurring Receipts:						
	General and Selective Sales Taxes	$3,474,971	$4,146,752	$4,809,020	$4,875,962	$5,209,899	$5,359,007
	Income Taxes	1,956,076	2,883,369	2,953,835	2,834,701	2,925,590	2,428,021
	Severance Taxes [1]	477,257	644,260	992,261	1,312,965	1,285,784	1,264,800
	License Fees	25,499	24,900	63,734	72,829	70,140	60,040
	Investment Income	960,972	915,946	1,338,575	1,887,084	2,083,770	2,228,894
	Rents and Royalties	859,662	755,217	1,196,871	1,762,659	1,746,270	1,794,194
	Miscellaneous Receipts	41,519	36,857	46,726	77,911	78,942	50,640
	Tribal Revenue Sharing	48,166	71,434	46,726	83,597	85,300	87,500
	Reversions/Adjustments	241,038	195,522	110,490	142,508	110,000	110,000
	Total Recurring Receipts	**$8,085,160**	**$9,675,257**	**$11,589,675**	**$13,050,217**	**$13,595,695**	**$13,383,096**
	Total Nonrecurring and Adjustments	**$ 715,800**	**$ (902,900)**	**$ (699,607)**	**$ 139,779**	**$ 28,456**	**$ 362,562**
	Total Receipts	**$8,800,961**	**$8,772,357**	**$10,890,068**	**$13,189,996**	**$13,624,151**	**$13,745,658**
	Recurring Appropriations:						
	Legislative	$ 21,158	$ 21,985	$ 48,491	$ 42,736	$ 56,223	$ 54,990
	Judicial	321,254	329,429	363,553	386,636	442,542	477,731
	General Control	150,083	159,817	176,543	215,904	212,262	218,602
	Commerce and Industry	64,750	65,826	80,445	86,818	102,054	110,344
	Agriculture, Energy and Natural Resources	77,477	79,462	98,202	108,413	124,261	137,394
	Health, Hospitals and Human Services	1,899,035	1,980,309	2,251,399	2,722,043	2,968,203	3,032,423
	Public Safety	476,405	477,918	507,381	519,998	550,230	583,623
	Other Education	51,433	34,723	59,679	108,714	91,872	96,465
	Higher Education	840,678	900,572	1,025,354	1,269,442	1,351,276	1,441,804
	Public School Support	3,170,640	3,430,356	3,812,922	4,118,186	4,335,658	4,672,907
	Total Recurring Appropriations [2]	**$7,072,923**	**$7,480,396**	**$8,423,969**	**$9,578,890**	**$10,234,581**	**$10,826,283**
	Nonrecurring Appropriations [3]	**$1,831,200**	**$1,676,300**	**$ 2,012,545**	**$ 3,070,617**	**$ 3,559,044**	**$ 2,981,243**
	Total Appropriations	**$8,904,100**	**$9,133,700**	**$10,436,514**	**$12,649,506**	**$13,793,624**	**$13,807,525**
	Transfers from/(to) Other Accounts						
	TRANSFER FROM/(TO) RESERVE ACCOUNTS	**$(103,200)**	**$ 706,492**	**$829,001**	**$102,489**	**$(161,626)**	**$(61,867)**
B.	**OPERATING RESERVE**						
	Beginning Balance	**$ 507,518**	**$ 347,469**	**$ 565,832**	**$596,584**	**$606,559**	**$246,538**
	Revenues/Repayments/Reversions	(6,651)	(28,948)	(74,396)	(43,099)	(198,395)	(204,000)
	Appropriations:						
	Other Appropriations and Adjustments	--	--	--	--	--	--
	Total Appropriations [4]	**$ (6,651)**	--	--	--	--	--
	Transfers:						
	From/(To) General Fund Appropriations Account	--	--				
	From/(To) Appropriation Contingency Fund	(103,161)	706,492	829,001	102,489	(161,626)	(61,867)
	From/(To) Government Results and Opportunity Expendable Trust	(50,000)	(459,182)	(723,853)	--		
	From/(To) Other State Funds	--	--	(50,000)	36,360		157,425
	Total Transfers	**$(153,163)**	**$ 247,310**	**$105,148**	**$ 52,489**	**$(161,626)**	**$ 95,558**
	Ending Balance [5]	**$ 347,469**	**$ 565,832**	**$596,584**	**$606,559**	**$ 246,538**	**$138,096**

C.	**STATE SUPPORT RESERVE**						
	Beginning Balance	**$ 29,100**	**$ 3,991**	**$ 49,491**	**$10,399**	**$ 0.4**	**$ 0.4**
	Ending Balance [5]	**$ 3.991**	**$ 49,491**	**$ 10,399**	**$ 0.4**	**$ 0.4**	**$ 0.4**
D.	**APPROPRIATION CONTINGENCY FUND**						
	Beginning Balance, Excluding Education Reform	**$6,700**	**$55,457**	**$ 11,164**	**$ 0**	**$ 9,113**	**$ 68,410**
	Receipts:						
	Reversions	11,724	11,164	1,629	15,863	150,000	30,000
	Transfers From General Fund/Appropriation Contingency Fund	50,000	--	--	50,000	--	--
	Expenditures/Appropriations [6]						
	Disasters	(12,958)	(55,457)	(12,793)	(56,751)	(90,703)	(68,450)
	Ending Balance, Appropriation Contingency Fund	**$ 55,457**	**$ 11,164**	**$ 0**	**$ 9,113**	**$ 68,410**	**$ 29,960**
E.	**TAX STABILIZATION RESERVE**						
	Beginning Balance	**$ 1,727,300**	**$1,812,600**	**$2,303,331**	**$3,050,439**	**$2,178,996**	**$2,335,262**
	Transfers In	429,800	492,384	748,610	89,122	156,266	93,627
	Transfers Out	(344,600)	(1,621)	(1,502)	(960,565)	2,335,262	2,363,967
	Ending Balance[7]	**$ 1,812,600**	**$2,303,331**	**$3,050,439**	**$2,178,996**	**$ 150,000**	**$ 30,000**
F.	**TOBACCO SETTLEMENT PERMANENT FUND RESERVE [8]**						
	Beginning Balance	**$ 243,200**	**$ 285,300**	**$ 300,245**	**$ 330,826**	**--**	**--**
	Transfers In	77,600	34,971	23,637	27,423	--	--
	Transfers Out	(35,300)	(35,190)	(11,520)	(13,914)	--	--
	Gains/(Losses)	--	14,900	18,463	24,802	--	--
	Ending Balance	**$ 285,300**	**$ 300,245**	**$330,826**	**$ 369,137**	**--**	**--**
G.	**TOTAL RESERVE BALANCES**						
	Beginning Balance	**$2,515,500**	**$2,504,800**	**$3,230,057**	**$3,988,248**	**$3,164,204**	**$3,181,380**
	Ending Balance [9]	**$2,504,800**	**$3,230,065**	**$3,988,248**	**$3,164,204**	**$3,181,380**	**$3,372,677**
	Reserves as a Percentage of Current-Year Recurring Appropriations	35.4%	43.3%	47.3%	33.0%	31.1%	31.2%

Notes to General Fund Financial Summary:

***The General Fund Financial Summary reflects the December 2025 consensus revenue estimate. FY2025 revenues exceeded FY2024 by roughly 4.2 percent.**

***Totals may not sum due to rounding.**

(1) Beginning in FY19, Oil and Gas Emergency School Tax revenue in excess of the five-year average goes to the tax stabilization reserve fund or the Early Childhood Education and Care Fund depending on whether total reserve percentages are equal to or greater than 25%. Beginning in FY25, the general fund portion of Oil and Gas Emergency School Tax revenue is capped at the FY24 level, with the excess of this being invested in the Severance Tax Permanent Fund.

(2) Appropriation Account, Nonrecurring Appropriations:

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

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

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

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

(3) General Fund Operating Reserve:

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

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

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

FY22 includes $28.9 million for the State Board of Finance Emergency Fund appropriation and disaster allotments.

FY23 includes $74.4 million for the State Board of Finance Emergency Fund appropriation and disaster allotments.

FY24 includes $43.3 million for the State Board of Finance Emergency Fund Appropriations and disaster allotments.

FY25 includes $198.4 million for the State Board of Finance Emergency Fund Appropriations and disaster allotments.

FY26 includes an estimated $204 million for the State Board of Finance Emergency Fund Appropriations and disaster allotments.

FY26 includes 2025 Special Sessions 1 & 2 actions such as a $30 million transfer to the Appropriation Contingency Fund and reversions to the Operating Reserve of $282.5 million. The Second Special Session's HB1 also appropriated $160 million to the Health Care Authority for SNAP benefits, addressing the potential failure of the federal government to provide funding. If federal funding materialized, HB1 sets contingencies for transfers of operating reserve balances to the Medicaid trust fund. Additionally, HB1 provides the governor with $60 million in additional transfer authority in FY25.

(4) Year-ending Balances in the Operating Reserve:

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

(5) Appropriation Contingency Fund Appropriations:

FY21 includes Laws 2021, Chapter 137 (House Bill 2) appropriated $50 million from operating reserve to appropriation contingency fund.

FY22 includes $55.5 million for disaster allotments.

FY23 includes $12.8 million for disaster allotments.

FY25 includes $65.7 million for disaster allotments.

FY25 includes Laws of 2025, which transfers $150 million of general fund to the appropriation contingency fund in FY25.

FY25 includes Laws of 2025, which appropriated $25 million from the appropriation contingency fund for CYFD in FY25.

FY26 includes Laws 2025, Chapter 157 (Senate Bill 31) requires transfers of up to $50 million to the natural disaster revolving fund and appropriates an additional $5 million for the Taxation Revenue Department for tax and motor vehicle code changes.

FY26 includes $13.5 million for disaster allotments and $30 million for SNAP funding in November 2025.

FY26 includes 2025 Special Sessions 1 HB1 transfer of $30 million from the operating reserve to the appropriation contingency fund.

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

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

Laws 2020, Chapter 3 (HB83, Section 4) provides that oil and gas emergency school tax revenue in excess of the five-year average be transferred to the Early Childhood Trust Fund instead of the tax stabilization reserves if reserve balances exceed 25 percent of recurring appropriations.

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

FY21 Laws 2020 First Special Session, Chapter 5 (HB1, Section 6-A) allows for use of 100% of FY21 revenue for tobacco program fund. DFA and LFC estimate $12 million in TSPF revenue due to expected arbitration ruling to affect FY22; Laws 2021, Chapter 60 (SB 187) allows use of 100% of revenue for tobacco program fund in FY22.

FY22 Laws 2022 distribute 100 percent of Tobacco Settlement Permanent Fund Revenues, or $36.5 million were transferred to the Tobacco Settlement Program Fund.

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

(8) Laws of 2024, Chapter 18 (House Bill 196), created the Government Results and Opportunity Expendable Trust. House Bill 196 also makes Government Results and Opportunity Expendable Trust a reserve fund only FY25. This fund is estimated to add $530.771 million to reserves in FY25. Laws of 2025 extended this fund as a reserve fund through FY26.

(9) Laws of 2025, Chapter 2 (Senate Bill 1), created the Behavioral Health Trust Fund. Senate Bill 1 also makes Behavioral Health Trust Fund a reserve fund for FY26 and FY27. This fund is estimated to add $166.2 million and $212.4 million to reserves in FY26 and FY27, respectively.

Source: DFA Economic Unit and Financial Control Division

General Fund Taxes and Revenues

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

Gross Receipts and Compensating Taxes

The gross receipts tax is levied on the total amount of money or the value of other consideration received from selling tangible and certain intangible personal property in the State, from leasing property employed in the State, from performing services in the State and from research and development services performed outside the State on products initially used in the State. The tax is remitted by the seller but generally passed on to the purchaser. The compensating tax is imposed generally on property used in the State but purchased elsewhere. Gross receipts and compensating taxes are due on the 25th day of the month following the month in which the transaction occurs.

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

The combination of gross receipts and compensating taxes is the single largest source of State General Fund revenue. The gross receipts tax is also a significant source of revenue for cities and counties. The gross receipts tax includes the 4.875 percent statewide gross receipts tax levy, plus city and county local-option gross receipts taxes. During the 2022 legislative session, House Bill 163 reduced the state gross receipts and compensating tax rate from 5.125 percent to 4.875 percent. The reduced gross receipts and compensating tax rates were reduced in two rounds of one-eighths percent reductions. The first one-eighths percent reduction was effective on July 1, 2022, bringing the state gross receipts and compensating tax rate to 5.0 percent. The second one-eighths percent reduction was effective on July 1, 2023, reducing the rates down to 4.875 percent. Receipts from the statewide gross receipts tax levy, less certain disbursements, are deposited in the State's General Fund. The disbursements include 1.225 percent of the taxable gross receipts reported in each incorporated municipality to that municipality. The County Equalization Distribution is made annually from State gross receipts tax revenues; it has averaged $42.6 million over the past five years. After all other distributions, the recurring General Fund share of gross receipts tax collections was 31.6 percent in Fiscal Year 2025 and is expected to be about 32.7 percent for subsequent years based on the current General Fund forecast.

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

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

In the 2021 regular legislative session, SB 1 amended the state's gross receipts tax structure. It established a four-month gross receipts tax holiday for food and beverage establishments that have been financially affected by the COVID-19 pandemic. This includes restaurants, bars, food trucks, small breweries, wineries, and craft distilleries. Additionally, during the 2021 special session, SB 1 was passed to expand the Local Economic Development Act ("LEDA"). SB 1 allows for a permanent mechanism for tax revenue sharing for certain new large LEDA projects. The bill allows 50 percent of some State and local gross receipts tax and compensating revenue from large LEDA projects (over $350 million in construction and infrastructure costs) to be placed into the LEDA fund to help with recruitment of those large projects. Only costs associated with new construction of the project will be subject to this provision, and the Economic Development Department ("EDD") and all local governments affected must agree to the revenue sharing.

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

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

This reform measure brings nonprofit hospitals into the State gross receipts tax base and governmental hospitals into the GGRT base. It repeals the for-profit hospital tax credit of Section 7-9-96.1 NMSA 1978.

TABLE 11
Hospital Tax Reform – State Taxation

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

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

The transition to destination-based sourcing was a significant change to the structure of the gross receipts tax. HB 6 distributed $24 million annually from the General Fund to local governments in Fiscal Year 2020 to Fiscal Year 2021 until the local increments were applied to remote sales. (During the 2020 first special session, HB 6 increased the maximum annual amount in Fiscal Year 2021 to $48 million with

a caveat that the amount may be reduced if federal dollars are provided to all local governments.) With destination-based sourcing all sales will have an in-state location, so current gross receipts tax transactions coded as out-of-state will be shifted into counties and municipalities (if inside municipal boundaries).

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

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

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

During the 2021 regular legislative session, SB 1 was passed that provided, among other things, for a four-month gross receipts tax holiday for food and beverage establishments, including restaurants, bars, food trucks, small breweries, wineries and craft distilleries, which were financially impacted by the pandemic.

During the 2021 special session, SB 1 was passed to expand the Local Economic Development Act ("LEDA"). SB 1 allows for a permanent mechanism for tax revenue sharing for certain new large LEDA projects. The bill allows 50 percent of some State and local gross receipts tax and compensating revenue from large LEDA projects (over $350 million in construction and infrastructure costs) to be placed into the LEDA fund to help with recruitment of those large projects. Only costs associated with new construction of the project will be subject to this provision, and the EDD and all local governments affected must agree to the revenue sharing.

In Fiscal Year 2025, total distributions to the General Fund from gross receipts and compensating taxes increased by 6.1 percent over the previous Fiscal Year to $4.4 billion, comprising 32.2 percent of recurring General Fund revenue.

Personal Income Tax

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

In Fiscal Year 2025, total distributions to the General Fund from personal income tax were $2.155 billion, a decrease of 2.4 percent from the previous Fiscal Year. The decrease in revenue stems from (i) shifting pass-through entity tax revenue from being recognized under personal income tax to being recognized under corporate income tax and (ii) amending the personal income tax structure with lower rates (see 2024 legislative summary below). Pass-through entities have a closer alignment with corporate income tax including the option to elect payment of an entity-level tax created during 2022 legislation. This accounting change occurred at the half-way point of Fiscal Year 2024. Accounting for recurring activity only, personal income tax generated approximately 17 percent of total recurring General Fund revenue.

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

During the 2025 legislative session, no significant bills were enacted or amended for personal income tax.

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

If the taxable income is:	Married Filing Separate:
Not over $4,000	1.5% of taxable income
$4,001 to $12,500	$60.00 plus 3.2% of excess over $4,000
$12,501 to $25,000	$332.00 plus 4.3% of excess over $12,500
$25,001 to $50,000	$869.50 plus 4.7% of excess over $25,000
$50,001 to $157,500	$2,044.50 plus 4.9% of excess over $50,000
Over $157,500	$7,312.00 plus 5.9% of excess over $157,500

If the taxable income is:	Surviving Spouse, Married Filing Joint and Head of Household:
Not over $8,000	1.5% of taxable income
$8,001 to $25,000	$120.00 plus 3.2% of excess over $8,000
$25,001 to $50,000	$664.00 plus 4.3% of excess over $25,000
$50,001 to $100,000	$1,739.00 plus 4.7% of excess over $50,000
$100,000 to $315,000	$4,089.00 plus 4.9% of excess over $100,000
Over $315,000	$14,624 plus 5.9% of excess over $315,000

If the taxable income is:	Single Including Trust and Estates:
Not over $5,500	1.5% of taxable income
$5,501 to $16,500	$82.50 plus 3.2% of excess over $5,500
$16,501 to $33,500	$434.50 plus 4.3% of excess over $16,500
$33,501 to $66,500	$1,165.50 plus 4.7% of excess over $33,500
$66,501 to $210,000	$2,716.50 plus 4.9% of excess over $66,500
Over $210,000	$9,748.00 plus 5.9% of excess over $210,000

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

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

Additionally in 2022, the Social Security Income Exemption from personal income taxes was enacted. A tax filer with adjusted gross income at or below the following amounts: $75,000 for married, filing separate; $150,000 for heads of household, surviving spouses, and married filing joint; and $100,000 for single tax filers, may claim an exemption equal to the social security income included in adjusted gross income as determined on a taxpayer's federal tax return. The exemption was effective beginning tax year 2022. In tax year 2022, the Social Security Income Exemption exempted $79.6 million from personal taxable income for taxpayers and $83.4 million in tax year 2023.

During the 2021 legislative session, the Working Families Tax Credit was increased from 17 percent to 20 percent of the federal earned income tax credit, effective for tax years 2021 and 2022, and then increased to 25 percent of the federal earned income tax credit, effective January 1, 2023. In tax year 2022, the Working Families Tax Credit issued $89.8 million to taxpayers. Effective for tax year 2021, the rebate amounts available under the Low-Income Comprehensive Tax Rebate were increased for each

income and exemption levels and indexed to the consumer price index to adjust for inflation. The law also raises the maximum income level for eligibility from $22,000 to $36,000. In tax year 2022, the Low-Income Comprehensive Tax Rebate issued $46.9 million to taxpayers and $44.2 million in tax year 2023.

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

Corporate Income Tax

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

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

In Fiscal Year 2025, the General Fund received $782.5 million from corporate income taxes, which was a 24.8 percent increase compared to Fiscal Year 2024. That increase was driven by the shift of pass-through entity tax revenue from personal income tax to corporate income tax. As noted above in the section above entitled "Personal Income Tax," the accounting change is a recognition that these taxpayers are more closely aligned with corporate filers. This accounting change occurred at the half-way point of Fiscal Year 2024 and the revenue impact is estimated at $190.2 million. Fiscal Year 2025 will be the first full year of this revenue being recognized under corporate income tax.

During Fiscal Year 2025, the state spent $34 million on its Film Production Tax Credit which was $68 million lower than the previous year. The Consensus Revenue Estimating Group (CREG) forecasted that the Film Production Tax Credit will increase from $34 million in Fiscal Year 2025 to $146.9 million in Fiscal Year 2030. The Film Production Tax Credit includes "non-film partners" and "New Mexico film partners." The latter are defined as those who have a commitment of 10 years or more by entering into a 10-year lease agreement or by purchasing a qualified production facility. New Mexico film partners are excluded from the Film Production Tax Credit cap outlined in House Bill 547 of the 2023 legislative session. The growth in the tax credit is driven in part by the increase of the annual cap for non-film partners by $10 million every year until it reaches $160 million in Fiscal Year 2029. (See "Major Legislative Actions; Tax Credits"). The increase in the CREG estimate for the Film Production Tax Credit reflects recent legislative changes. It is expected that the anticipated growth in the number of film

partners in New Mexico—who are not subject to the annual cap—will lead to an increase in the claims for the film credit over the forecast period.

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

Major Legislative Actions; Tax Credits

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

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

Additionally, SB 2 added a requirement that the EDD shall certify a film production company's budget in a pre-production meeting. To implement the $100 million hard liability cap, if the total expected claims authorized for payment (minus those to film partners) for any Fiscal Year would exceed $100 million beyond the $110 million yearly cash cap in any Fiscal Year, the EDD is prohibited from certifying the production company's budget. The bill eliminates the tiered system of payouts for mid-size and large productions over two to three years. It also adds another 5 percent increase to the credit value for expenditures made on location more than 60 miles outside of Bernalillo and Santa Fe Counties. This credit increase is "stackable" with either of the two existing possible 5 percent increases for filming in a qualified production facility or filming a television pilot or series (those two increases are currently mutually exclusive and remain so in the bill). This results in a maximum possible credit rebate value of 35 percent of qualified expenditures.

The bill clarifies certain definitions that were open to interpretation and has more clearly included television series in the definition of film. It repeals the non-resident crew exception limits for below-the-line crew (off-camera positions providing technical assistance during physical production) and replaces that provision with a 15 percent credit for nonresidents, provided it does not exceed 15 percent of a production's New Mexico below-the-line budget. This provision can increase to 20 percent of the New

Mexico below-the-line budget if sufficient and qualified below-the-line New Mexico residents are not available. A significant number of structural changes to qualifications and reporting requirements for the industry have been revised.

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

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

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

The 2024 legislative session included notable updates and changes to the state's tax code and financial stability. The State of New Mexico is maintaining healthy reserve levels and is making strategic investments and statutory changes to ensure future financial stability. SB 116 removed the Tobacco Settlement Permanent Fund balance of $369 million from the state's reserves. To fund investments in strategic pilot programs, the Legislature provided programmatic funding through the newly created Government Results and Opportunity (GRO) program fund and the Government Results and Opportunity expendable trust fund under HB 196. House Bill 2 ("HB 2") outlines the appropriations from these newly created funds to specific entities/agencies under section 9. HB 196 took effect on May 15, 2024, or 90 days after the legislative session. The GRO fund is also considered a reserve account in Fiscal Year 2025 with an estimated balance of $888 million, and will continue to be considered a reserve account in Fiscal Year 2026.

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

Mineral Production Taxes

Mineral production taxes (Resources Excise Tax, Natural Gas Processors Tax, Oil and Gas Conservation Tax and Oil and Gas Emergency School Tax) are levied on producers and others on the value of severed minerals and material resources from within the State and these taxes are disbursed to the General Fund. The Oil and Gas Emergency School Tax is imposed for the privilege of engaging in the business of severing oil, natural gas, liquid hydrocarbons and CO_2 from the soil of the State. The Oil and Gas Emergency School Tax is imposed at a rate of 3.15 percent of taxable value of oil and 4.00 percent of taxable value for natural gas. Taxable value reflects gross sales value less deductions for royalties paid to government entities and for certain processing and transportation expenses. The same definition of taxable value is used for calculation of oil and gas severance tax liability.

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

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

In Fiscal Year 2025, aggregate revenue from the Oil and Gas Emergency School Tax receipts totaled $1.8 billion. Of the total mineral production taxes, $1.15 billion was distributed to the General Fund and $436.2 million was distributed to the Early Childhood Trust Fund. Fiscal Year 2025 Oil and Gas Emergency School Tax total receipts decreased by 1 percent compared to Fiscal Year 2024. The Oil and Gas Emergency School Tax distribution to the General Fund in Fiscal Year 2025 was $1.15 billion, the same as the prior Fiscal Year. The $1.15 billion level sets the fixed distribution amount to the General Fund under SB 26, as long as revenues from Oil and Gas Emergency School Tax remain above that level. Other General Fund taxes on natural resource production totaled $139.7 million. For Fiscal Year 2025, these mineral production taxes contributed approximately 9.5 percent of recurring General Fund revenue.

Local Law Developments Regarding Oil and Gas

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

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

Royalties, Rents and Bonuses

Federal Lands. Under terms of the 1920 Federal Mineral Leasing Act, the State receives 50 percent of all income generated from leasing federal lands located in the State for mineral production.

Principal sources of income are royalty payments on oil and natural gas production. Additional income is derived from bonus payments for oil and natural gas leases and royalty payments on production of coal, potash and other minerals. The United States Department of the Interior's Office of Natural Resources Revenue (the "ONRR") collects federal mineral lease income and deducts two percent from the State's share for administrative costs. The State receives payments on a monthly basis and makes deposits to the General Fund. At the end of the fiscal year, federal mineral receipts above the five-year average are transferred to the Early Childhood Trust Fund and the remainder was historically distributed to the General Fund. Following the passage of SB 26 (Chapter 22, Laws 2023), beginning in Fiscal Year 2025, the amount of federal mineral leasing payments the General Fund can receive will be capped at Fiscal Year 2024 levels, and any revenue above that amount, but below the five-year average, will be invested in the STPF. In Fiscal Year 2025, gross total distributions from federal mineral leases totaled $2.79 billion, of which $1.64 billion was distributed to the General Fund. The net federal mineral leasing distribution to the General Fund equals 12.1 percent of recurring General Fund receipts for the Fiscal Year. The $1.645 billion in Fiscal Year 2024 represents the fixed distribution amount to the General Fund going forward. In 2025 House Bill 71 temporarily reallocated 50% of the federal mineral receipts above the rolling five-year average to the newly created Medicaid Trust Fund. Beginning in Fiscal Year 2029, 100% of this excess revenue will return to the Early Childhood Trust Fund.

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

Royalty Resiliency Act: Impacts on Collections or Royalty Payments

In 2024, Congress passed into law the "Royalty Resiliency Act" (H.R. 7377), changing the way oil and gas leaseholders account for and remit royalties on federal lands. Previously, the ONRR determined the allocation of royalty payments among federal and state lands. After the effective date of the Royalty Resiliency Act (September 20, 2024), oil and gas leaseholders are to propose an allocation and remit royalties based on their proposed allocation until ONRR issues its determination of royalty allocations. While the allocation among such royalties in New Mexico was previously allocated approximately as two-thirds federal lands and one-third state lands, it is unknown if the allocation by leaseholders will be changed or, perhaps more importantly, delayed, while ONRR resolves a backlog of approximately 800 royalty allocation cases. While these state royalty payments are not pledged to the Bonds or any other debt obligations, these delays and changes to allocation methodology could impact contributions to state trust funds, although it is too soon to estimate the amount of such decreased royalty collections.

State Trust Lands. The Commissioner of Public Lands and the State Land Office manage lands acquired by the State under the federal Fergusson Act and the Enabling Act for New Mexico enacted prior to statehood, as well as under the State Constitution. All income from State trust lands is dedicated to specific institutions; each section of State trust land has a specific named beneficiary institution. As with federal lands, the oil and natural gas industry is the principal source of revenue from State trust lands. Bonus income is also collected in the form of cash payments as a result of competitive bidding for State leases. Rentals and bonus income are distributed directly to the respective beneficiary institutions on a monthly basis. The largest beneficiary group is the State's public school system. Mineral production from State trust lands also generates royalty income, which is deposited in the LGPF. Royalties are imposed on most mineral production values at the rate of 12.5 percent, although there is a provision for rates of up to 25 percent for new leases on developed acreage. LGPF beneficiaries and "State lands" beneficiaries are the same institutions and public schools. In Fiscal Year 2025, distributions

to the General Fund from the State Land Office, on behalf of the public schools, totaled $101.4 million, a decrease of over $16 million over Fiscal Year 2024.

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

Investment Income

Investment earnings credited to the General Fund are from three primary sources: the LGPF, the STPF, and cash balances invested by the State Treasurer. A percentage of market value from the LGPF is distributed among the beneficiary institutions and public schools. The allocation received by the public schools, which was approximately 88.2 percent in Fiscal Year 2025, is deposited in the General Fund. For Fiscal Year 2025, $1.19 billion of LGPF distributions were transferred to the General Fund for public school purposes. In Fiscal Year 2025, the State distributed $332.79 million of income from the STPF, all of which was deposited in the General Fund. In Fiscal Year 2025, the Treasurer's cash balances produced approximately $516.4 million in income, including mark-to-market unrealized gains. After adjustments to reflect payments to the self-earnings accounts, the income credited to the General Fund from the Treasurer's cash balances was $400.8 million. Total investment earnings from these three sources is 14.15 percent of recurring General Fund receipts.

Review of Results and Projections in the General Fund
State Budget for Fiscal Years 2021 through 2026

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

Fiscal Year 2021 felt the impact of the oil price volatility experienced in early 2020 from the Saudi Arabian and Russian oil price war and the impacts of the COVID-19 pandemic. However, the oil

markets experienced a better-than-expected oil price recovery. According to the U.S. Energy Information Administration, the West Texas Intermediate ("WTI") oil prices reached a monthly average of $39.40 per barrel in October of 2020 and gained ground to $59.05 per barrel by February 2021. In March 2021, WTI prices reached above $65 per barrel. Gross oil- and natural gas-related revenues increased by 12 percent compared to Fiscal Year 2020. In Fiscal Year 2021, New Mexico oil prices averaged $50.58 per barrel, while natural gas prices averaged $3.40 per mcf. Oil volumes increased by 10.8 percent, and natural gas volumes increased by 16.8 percent in Fiscal Year 2021.

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

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

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

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

Portions of HB 547 that were not vetoed and became law include an increased child income tax credit for taxpayers at the three lowest income levels, which may impact the general fund with decreased

revenue of approximately $102 million in Fiscal Year 2023, as well as expanded film tax credits as discussed above. The Governor also did not veto the one-time PIT rebates discussed above.

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

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

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

Fiscal Year 2025. In Fiscal Year 2025, recurring revenues totaled $13.6 billion, an increase of 4.2 percent over Fiscal Year 2024. Non–oil and natural gas-related revenues grew by 6 percent, driven largely by strong interest earnings from the Land Grant Permanent Fund and State Treasurer's Office, which increased by $196.7 million (10.4 percent). General sales tax revenues also contributed to growth, rising $251.7 million (6.1 percent) as consumer spending remained resilient.

Oil and natural gas-related revenues to the general fund are projected to decline slightly by 1.4 percent. This modest decrease reflects lower collections from smaller oil and gas revenue programs, as the major sources, the oil and gas emergency school tax and federal mineral leasing revenue, remain capped at Fiscal Year 2024 levels under Senate Bill 26. Revenue above the cap is transferred to the Early Childhood Education and Care Fund and the Severance Tax Permanent Fund. These transfers are $1.8 billion in Fiscal Year 2025.

Oil production reached a record 781.2 million barrels in Fiscal Year 2025, with average prices of $69 per barrel. Natural gas prices averaged $3.19 per mcf, and production increased by 10 percent for oil and 12 percent for natural gas.

Fiscal Year 2026. According to the December 2025 consensus revenue forecast, recurring revenues for Fiscal Year 2026 are estimated at $13.4 billion, a decline of 1.6 percent from Fiscal Year 2025. Interest earnings from the Land Grant Permanent Fund, Severance Tax Permanent Fund, and State Treasurer's Office are projected to increase by $145 million (7 percent), and general sales tax revenues are expected to grow by $156.4 million (3.6 percent). The overall reduction in recurring revenue is driven primarily by state legislative changes taking effect and, more significantly, by federal H.R.1 legislation enacted in 2025, which is anticipated to reduce corporate income tax collections.

Non-oil and non-natural gas-related revenue is projected to decline by 2.3 percent. Oil and natural gas-related revenues to the general fund are anticipated to grow slightly by 0.8 percent, driven by smaller revenue programs, as the major sources, the oil and gas emergency school tax and federal mineral leasing revenue, remain capped at Fiscal Year 2024 levels. Revenue collected above the cap continues to be transferred to the Early Childhood Education and Care Fund and the Severance Tax Permanent Fund, with an estimated $1.5 billion expected to be transferred in Fiscal Year 2026.

The recurring revenue decrease is partially offset by higher State Land Office revenues in 2026. Policy changes in 2024–2025 generated pent-up demand for high-value leases and opened previously restricted state lands, resulting in record bonus payments during monthly auctions in late 2025. Consequently, State Land Office revenue for Fiscal Year 2026 is projected at $511.9 million—$362.6 million above the typical annual estimate of $149.3 million. This increase is considered a one-time, nonrecurring spike. Total revenues for Fiscal Year 2026 are estimated at $13.7 billion, a modest 0.9 percent increase over Fiscal Year 2025.

New Mexico oil prices are expected to average $58 per barrel in Fiscal Year 2026, while natural gas prices are projected to average $3.74 per mcf. Oil production volumes are forecast to increase by 4.9 percent, and natural gas volumes by 12 percent. For Fiscal Year 2026, the consensus estimate anticipates moderating oil prices due to strong global supply, softer demand, and near-term economic uncertainty. New Mexico oil production is still expected to grow, but at a more measured pace as the industry enters the "Shale 4.0" era, marked by consolidation, long-term planning, and a focus on cash flow over rapid output expansion. Overall, the oil and gas sector is considered mature and transitioning to a more stable slow growth trajectory.

Education Funding Litigation

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

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

Multiple motions were filed in the Court following the February 14, 2019, Final Judgment, including a motion to dismiss filed by Defendants on March 13, 2020, a Motion to Strike Defendant's Motion to Dismiss on April 26, 2020, a motion to require the State to provide essential technology on

December 24, 2020, and a motion to find non-compliance and require remedial action plan filed by Plaintiffs on September 4, 2024. The motion for non-compliance requests relief that includes provision for the Legislative Education Study Committee staff to implement a planning process to ensure the prompt development and implementation of a comprehensive remedial plan. On December 21, 2023, the New Mexico Department of Justice submitted an entry of appearance entering on behalf of the State and did not oppose the motion for non-compliance subsequently submitted by the plaintiffs. On May 20, 2025, the Court issued an order requiring a remedial action plan. On October 3, 2025, the New Mexico Public Education Department ("NMPED") issued a status report to the Court. On November 3, 2025, NMPED informed the Court that it had submitted the NMPED Remedial Action Plan to the Court. On December 12, 2025, the Court granted plaintiffs time to file written objections to the NMPED Remedial Action Plan.

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

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

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

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

Severance Taxes (Not Part of General Fund)

Severance taxes are levied on producers and others severing minerals and natural resources from within the State. Severance taxes have been levied since 1937 when the first severance tax act was adopted. Severance taxes are distinguished from several other taxes on, or revenue sources related to, valuable mineral extraction in the State, including the taxes described above. Severance taxes are collected monthly. Taxes on oil, gas and CO_2 are due the 25th day of the second month following the end of the sale month. Other severance taxes are due the 25th day of the month following the end of the production month, with a few exceptions.

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

In 2019 and 2023, the New Mexico Legislature chose to forego the use of severance tax bonds and notes to fund most new capital. In 2024, the Legislature chose to forego the use of severance tax bonds and notes to fund new capital in Fiscal Year 2024 but did authorize issuance in Fiscal Year 2025. In 2019 and 2023, legislation was passed to stipulate mandatory transfers to the STPF for ten years, with the transfer equal to the estimated foregone debt service on long-term severance tax bonds that were not issued. Senate Bill 535 (now codified as NMSA 1978, Sections 7-27-10 and 7-27-10.1) was signed into law in 2019 and stipulated that the Board, by December 31 of each year for 2019 through 2028 (Fiscal Years 2020 through 2029), transfer $23.69 million from the Severance Tax Bonding Fund to the STPF. Additionally, the law stipulated that the Board not issue and sell more than $181.8 million of Supplemental Severance Tax Bonds in Fiscal Year 2019. Senate Bill 378 (now codified as NMSA 1978, Sections 7-27-10 and 7-27-10.2) was signed into law in 2023 and stipulated the Board, by December 31 of each year for 2023 through 2033 (Fiscal Years 2024 through 2034) transfer $92.0 million from the Severance Tax Bonding Fund to the STPF. Like SB 535 in 2019, the bill also directed the Board to issue no more than $682 million in Supplemental Severance Tax Bonds in Fiscal Year 2023. The amount of the STPF transfer would be considered before determining bonding capacity under the otherwise applicable statutory tests described above. The Board may determine that a lesser transfer amount is necessary per NMSA 1978, Section 7-27-8 in order to pay debt service obligations.

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

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The State Investment Council is required to distribute five percent of the average of the year-end market values of the Capital Reserve Fund for the previous three calendar years each January 1 to the Capital Development Program Fund. In 2025, funds in the Capital Development Program Fund will be available for appropriation by the Legislature for two purposes: (1) the funding of capital projects that total less than $5,000,000 and (2) the planning and design of capital projects that total more than $5,000,000 (but not the funding of construction of such projects). The table below provides the distributions to the Capital Reserve Fund and the Capital Development Program Fund from Fiscal Year 2024 to Fiscal Year 2025.

Fiscal Year Distributions Pursuant to HB 253 (2024)	**2024**	**2025**
Capital Reserve Fund	$475.8 [(1)]	$81.6
Capital Development Program Fund	0.0	23.8

[(1)] In Fiscal Year 2024 only, the Board was authorized to issue up to $500 million in short-term severance tax notes for distribution to the Capital Reserve Fund which is held and invested by the State Investment Council.

Severance Tax on Indian Land

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

Aggregate data reporting accessible on the TRD's TAP website based on oil and gas tax return data indicates that natural gas production and crude oil production on Indian land was approximately 3.6 percent and 0.3 percent, respectively, of total statewide production in Fiscal Year 2025. The TRD estimates that oil and natural gas production on Indian land generated $10.3 million in severance tax revenues to the State in the production months corresponding to Fiscal Year 2024. On December 30, 2014, the Navajo Nation completed the purchase of the Navajo Mine. As a result, there has not been any coal production from the mine reported to the TRD since such purchase. No potash, copper or CO2 is produced on Indian land.

NMSA 1978, Section 7-29C-1, enacted by the 1995 Legislature, authorized a credit against State production and property taxes for similar taxes imposed by tribal governments. The credit applies to crude oil and natural gas from new wells drilled on or after July 1, 1995, on land within Indian reservation boundaries on March 1, 1995. The amount of the credit is 75 percent of the lesser of State taxes or tribal taxes imposed. If the applicable tribal taxes were raised after March 1, 1995, then the amount of the State's credit is lowered. The TRD website reports that total credits claimed under this provision were about $2.53 million in Fiscal Year 2025. About $1.27 million of these credits were applied against oil

and natural gas severance tax liability. The Severance Tax Bonding Fund revenue projection assumes that this amount will grow slowly in the future.

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

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

The Severance Tax Permanent Fund ("STPF") was established in the State Treasury in 1973 to receive the residual revenues from the Severance Tax Bonding Fund and serve as an endowment for the State. In 1976, the electorate approved a constitutional amendment giving the STPF constitutional status. In 1982, the electorate approved a second constitutional amendment that removed the discretionary power of the Legislature to appropriate funds from the corpus of the STPF, thereby creating a permanent endowment fund. Distributions from investments of the STPF, however, may be appropriated by the Legislature in the same manner as other general revenues are appropriated. Severance tax receipts have been the primary source of funding for the STPF. The State Investment Council invests the corpus and non-appropriated income of the STPF. The market value of the STPF as of June 30, 2025, was $11.10 billion, a market value increase of more than $1.36 billion or 13.9 percent from the prior Fiscal Year closing value. Investment performance for the one-year period ending June 30, 2025, was 9.30 percent net of fees, and 0.36 percent above the fund's interim policy index. Year over year growth of the STPF was due to historically high inflows, which exceeded Fiscal Year 2024 distributions of $289.6 million. Funds on deposit in the STPF are not pledged to and may not be used to pay any bonds. As noted above, during the 2016 special legislative session, Senate Bill 8 allowed the one-time transfer of excess severance tax revenue to the General Fund rather than the STPF. This transfer, known as the super sweep, totaled $28,279,400. As noted above, SB 26 (Chapter 22, Laws 2023) will add additional sources of funding to the STPF by directing new windfall revenue from the Oil and Gas Emergency School Tax and from Federal Mineral Leasing payments to the fund beginning in Fiscal Year 2025. This additional investment in the STPF will yield greater distributions from the permanent fund's earnings back to the general fund in the future.

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

Pursuant to NMSA 1978, Section 19-1-1 (1912), the State Land Office is charged with the custody and disposition of the land granted to the State. The Commissioner of Public Lands sells or leases these properties in accordance with the provisions of the appropriate statutes. The SIC invests the corpus and income of the LGPF. As of June 30, 2025, the market value of the LGPF was $35.59 billion, an asset increase of approximately $4.19 billion, or 13.3 percent over the prior Fiscal Year. Investment performance for the year ended June 30, 2025, was 10.41 percent, net of fees, and 0.44 percent above the LGPF's policy index. Growth of the LGPF during Fiscal Year 2025, like STPF, was driven by high inflows exceeding the Fiscal Year 2024 fund distributions of $1.34 billion. The corpus of the LGPF is

constitutionally protected from appropriation and LGPF assets are not pledged to and may not be used to pay debt. The LGPF is also protected by the Federal Enabling Act of 1910.

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

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

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

Financial Processes and Procedures

State Auditing and Accounting Systems

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

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

State Budgetary and Appropriation Process

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

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

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

State Treasurer's Office Investment Responsibilities

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

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

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

Pension and Other Retirement Funds and Benefits

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

Educational Retirement Board—Historic Financial Information. The ERB had 173,890 members as of June 30, 2025, including active, retired, inactive vested and inactive non-vested members. The market value of Educational Retirement Fund (the "Fund") as of June 30, 2025, was $18.9 billion. The Fund had a performance return for Fiscal Year 2025 of 9.9 percent. Over the past five-years, the Fund had an annualized return of 10.4 percent.

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As of June 30, 2025, the unfunded accrued actuarial liability ("UAAL") had a 19-year amortization period. The calculation of the funding policy contribution has been updated to reflect an open group projection, recognizing new hire benefits as well as anticipated cost-of-living adjustments more than the assumed 1.60 percent while the plan is less than fully funded.

TABLE 12
Schedule of Statutorily Mandated ERB Contribution Rates

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

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

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

Senate Bill 75 ("SB 75"), which was approved during the 2025 Legislative Session and signed into law by Governor Michelle Lujan Grisham, provided enhancements and clarifications to the Educational Retirement Act. The bill confirms that any unclaimed member contributions are part of the ERB Fund. It further clarifies the requirement for members to be eligible for retirement benefits and how cost-of-living adjustments apply to members who retire due to a disability. The bill modifies the process for a member in the U.S. military to purchase service credit. Also, the bill allows ERB to share member information with the Public Employees Retirement Association to help administer retirement reciprocity between the two systems.

Senate Bill 133 ("SB 133"), which was also approved during the 2025 Legislative Session and signed into law by Governor Michelle Lujan Grisham, increased the annual salary limit for the "less than $15,000" Return-to-Work program to less than $25,000 per fiscal year. Also, the bill changed the time

limit for the "36-month" Return-to-Work program from 36 months to 60 months, which can be consecutive or non-consecutive months.

House Bill 251 ("HB 251"), which was also approved during the 2025 Legislative Session and signed into law by Governor Michelle Lujan Grisham, allows a retired ERB member, for one time only, to change their designated spousal beneficiary.

Certain faculty and professional employees of New Mexico universities and colleges are eligible to elect to participate in the Alternative Retirement Plan ("ARP"), a defined contribution retirement plan available to certain faculty and professional employees. Employees who do not elect to participate in the ARP remain members of the regular defined benefit retirement plan. Each ARP participant contributes to the ARP the same amount that he or she would be required to contribute to the defined benefit plan if he or she were a member of that plan. Colleges and universities, as the employers of ARP participants, contribute the same amount that the employer would be required to contribute to the defined benefit plan if the participant were a member of that plan. From July 1, 2024, through June 30, 2025, 7.25 percent of the employer statutorily mandated contribution for ARP participants was provided to the defined benefit plan. From July 1, 2024, through June 30, 2025, the employer contribution rate was 18.15 percent, which meant that colleges and universities contributed 18.15 percent of participating employees' gross salary to the ARP vendor on behalf of the participant and 7.25 percent of the employees' gross salary to the defined benefit plan to offset the effect of having these employees not participate in the defined benefit plan. The colleges and universities are responsible for submitting the balance of the employers' contribution and the employees' contribution directly to the ARP vendors on behalf of the participants.

ERB Funded Ratio; Impact of Actuarial Assumptions and Changes to the Discount Rate. The ERB implemented Governmental Accounting Standards Board ("GASB") Statement No. 67 requirements with its June 30, 2013, financial statements. GASB Statement No. 67 ("GASB 67") requires ERB to report net pension liability ("NPL"), which is measured as total pension liability less the amount of the plan's fiduciary net position. GASB 67 replaced GASB 25, which had required ERB to report the annual required contribution of the employer ("ARC") and the percentage of the ARC contributed. The following table lists the NPL and the ERB GASB 67 and actuarial valuation funded ratios, for Fiscal Years 2020 through 2024. The funded condition of the plan is measured by the funded ratio, which is the ratio of the actuarial value of assets to the actuarial accrued liability for the actuarial valuation, or the ratio of the plan fiduciary net position to the total pension liability for the GASB 67 report. The actuarial valuation funded ratio increased from 2024 to 2025. The increase was primarily due to better than assumed asset experience. The NPL of $8,538,499,035, measured as the total pension liability, less the plan's fiduciary net position as of June 30, 2025, was calculated based on an expected rate of return on plan investments of 7.0 percent. The current NPL decreased by 2.8 percent compared to the Fiscal Year 2024 NPL of $8,787,995,457. The change for the Fiscal Year ending June 30, 2025, includes the single discount rate of 7.0 percent as of June 30, 2025.

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TABLE 13
ERB Funded Ratio

Fiscal Year	Net Pension Liability (GASB 67)	Funded Ratio (GASB 67)	Funded Ratio (Actuarial Valuation)
2021	$7,087,466,701	69.77%	62.8%
2022	8,421,711,477	64.87	63.5
2023	8,684,285,003	65.19	62.9
2024	8,787,995,457	66.57	64.8
2025	8,538,499,035	68.50	67.8

Source: Educational Retirement Board

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

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

The Public Employees Retirement Association—Historic Financial Information. PERA had 52,581 active members as of June 30, 2025. As of June 30, 2025, the total market value of the PERA Fund was $18.6 billion. The Fiscal Year 2025 PERA total fund investment return was 9.69 percent. (Information as of June 30, 2025 is the most recent available.)

PERA performs annual actuarial valuations of the retirement funds it administers. In 2025, PERA actuaries, Gabriel, Roeder, Smith & Company conducted an experience study for the period ending June 30, 2024, testing actuarial assumptions currently used in its valuations. The PERA Board accepted the actuary's recommended economic assumptions that the assets, benefit values, reserves, and computed contribution rates reflect utilization of an inflation rate of 2.5 percent per annum and an investment rate of return of 7.25 percent. The Board also adopted a cost-of-living adjustment change of 1.25% for the next 15 years and 2.00% thereafter. The Board also maintained real wage inflation and payroll growth assumptions of 3.0 percent, each compounded annually, revised retirement assumptions, and adoption of the MP-2020 mortality table.

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

PERA member and employer contribution rates are established by State statute. In 2020, the Legislature amended the PERA Act, NMSA 1978 10-11-1 et seq. to increase the employer contribution rate by 2.0 percent beginning July 1, 2020 in 0.5 percent increments over the next four Fiscal Years, and to increase member contribution rates by 2.0 percent beginning July 1, 2020, in 0.5 percent increments over the next four Fiscal Years. There was a two-year delay before any increased contributions for municipal or county employees and their employers. Gabriel, Roeder, Smith & Company completed an actuarial valuation of the PERA Fund, Judicial Retirement Fund, Magistrate Fund, Legislative Division and Volunteer Firefighter Fund for the Fiscal Year ending June 30, 2025.

Actuarial information for each fund as of June 30, 2025, is shown in the table below.

TABLE 14
Summary of State Retirement Funds Managed by PERA
as of June 30, 2025
(Dollars in thousands)

	PERA[1]	Judicial	Magistrate	VFF	Legislative
Membership	129,772	383	206	8,299	360
Actuarial Information					
Accrued Liability[2]	$27,948,989	$220,596	$64,826	$ 52,353	$53,919
Actuarial Value of Assets[3]	18,231,855	121,948	34,073	90,043	47,263
Unfunded (Overfunded) Accrued Liability	9,717,134	98,648	30,753	(37,690)	6,665
Present Value of Statutory Obligations	32,226,501	260,654	70,486	62,557	69,109

[1] Includes both the State and municipal divisions.
[2] Includes the accrued liability of both the retired and active members.
[3] The valuation of assets is based on an actuarial value of assets whereby gains and losses relative to a 7.25 annual rate of return are smoothed over a four-year period.
Source: Public Employees Retirement Association

As of June 30, 2025, PERA has an amortization or funding period of 50 years, based on the employer and member contribution rates in effect as of July 1, 2025, and includes scheduled increases to member and employer contributions. Member and employer rates are established pursuant to Section 10-11-1 through 10-11-142 NMSA 1978. The funded ratio (ratio of the actuarial value of assets to accrued actuarial liability) was 65.2 percent as of June 30, 2025, and the UAAL of the PERA Fund increased by $1.0 billion to approximately $9.7 billion. The State's portion of the UAAL of the PERA Fund is 54.6 percent, or $5.3 billion. On a market value basis, PERA's funded ratio is approximately 54.1 percent as of June 30, 2025. Current 30-year projections as of June 30, 2025, indicate that the PERA Fund will be 100 percent funded in 2066 assuming all economic and demographic assumptions are met.

In 2025, PERA implemented GASB 67 for the 12th year. PERA will also produce an audited Schedule of Employer Allocations and Pension Amounts in early 2026 to assist its employer participants in implementing GASB 68. GASB 68 requires participating local governments to recognize their pro rata share of net pension liability ("NPL") and other pension elements on the face of their financial statements. The total NPL as of June 30, 2025, for the PERA Fund allocated to its nearly 335 cost-sharing employers that participate in the Fund is approximately $8.95 billion.

In 2025, PERA completed the Schedule of Employer Allocations required by GASB 68 and provided local governments with the allocation percentage necessary to derive an employer's proportionate share of the collective NPL as of June 30, 2024. PERA continues to provide outreach and assistance to local governments to ensure local governments continue to receive pertinent allocation information required by GASB 67 and 68.

The following table lists the funded ratios for each individual PERA fund for Fiscal Years 2021 through 2025.

TABLE 15
Funded Ratio of State Retirement Funds Managed by PERA

Fiscal Year	PERA	Judicial	Magistrate	VFF	Legislative
2021	71.4%	53.3%	54.1%	156.5%	140.9%
2022	70.0	61.2	52.9	161.5	123.5
2023	67.7	60.5	53.1	167.7	119.6
2024	67.2	56.1	52.4	172.2	94.3
2025	65.2	55.3	52.6	172.0	87.7

Source: Public Employees Retirement Association

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

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

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

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

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

During the 2016 second special session, the State's distribution to the legislative retirement fund decreased from $200,000 a month to $75,000 a month, thus reducing the annual contribution from $2.4 million to $900,000.

During the State of New Mexico (53rd Legislature) special session in 2017, House Bill 2 was passed that suspended the State's distribution to the legislative retirement fund for two consecutive years (Fiscal Year 2018 and Fiscal Year 2019). Beginning July 1, 2019, the monthly distribution of $75,000 to fund the legislative retirement coverage plan resumed, for a total annual contribution of $900,000.

During the State of New Mexico (54th Legislature) regular session in 2019, House Bill 501/a was passed that increased employer contribution rates by 0.25 percent for PERA affiliated employers, with the exception of the overfunded state police and adult correctional officer plan. The contribution rate increase was effective July 1, 2019.

During the State of New Mexico (55th Legislature) regular session in 2020, Senate Bill 72/a ("SB2/a") was passed, increasing employee and employer contributions and adjusting the COLA for retirees. Effective July 1, 2020, employee contributions increased by two percent, and will increase in 0.5 percent increments over four Fiscal Years. The first 0.5 percent increment will increase employee contributions under State General Plan 3 to 9.42 percent. The employer contribution rate will increase by 0.5 percent each Fiscal Year as well. There will be a two-year delay before any increased contributions for municipal or county employees and their employers. Effective July 1, 2022, municipal and county employee and employer contributions will increase by 2 percent, in 0.5 percent increments, over four Fiscal Years (2023, 2024, 2025, and 2026).

For retirees, those who were 75 years of age on or before June 30, 2020, will receive a 2.5 percent COLA, an increase from the current 2 percent COLA. Disability retirees and retirees with pensions lower than $25,000 after 25 years of service also will receive a 2.5 percent COLA. All other retirees who are COLA-eligible will receive a 2 percent, non-compounding, additional payment for three calendar years (2020, 2021, and 2022). This payment will be paid in addition to the regular July pension payment. PERA received a $55 million General Fund appropriation to cover the cost of the additional payments (2 percent non-compounding) to eligible retirees in Fiscal Years 2021, 2022, and 2023.

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

During the State of New Mexico (55th Legislature) regular session in 2020, Senate Bill 122 was passed that delayed further distributions to the Legislative Retirement fund until Fiscal Year 2026 and provided a distribution to the magistrate and judicial retirement fund of $100,000 each month until July 1, 2025.

During the State of New Mexico (56th Legislature) regular session in 2021, Senate Bill 90 was passed that allows overtime pay required for a regular schedule tour of duty in the definition of salary for all municipal fire plans and a 1.5 percent employee contribution increase starting July 1, 2021.

During the State of New Mexico (57th Legislature) regular session in 2022, Senate Bill 159 was passed that increased the percent rate of the per diem rate to 14 percent for the legislative plan.

In the regular legislative session (58th Legislature) in 2023, House Bill 106 passed which will allow members of all coverage plans to earn up to 100 percent of their average salary, however it will not allow retroactive calculation prior to June 16, 2023.

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

New Mexico Retiree Health Care Authority—Historic Financial Information. NMRHCA provides comprehensive group health insurance coverage for persons who have retired from certain public service positions in the State and their eligible dependents. NMRHCA offers both pre-Medicare and Medicare plans, as well as nonsubsidized dental, vision and life insurance plans to eligible participants. As of June 30, 2025, there were 50,813 participants, 14,005 vested terminated members and 98,816 active members contributing to the program from 310 participating public entities.

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

As of June 30, 2025, NMRHCA reported a projected solvency period beyond 2056, and the plan's fiduciary net position is projected to be available to make all projected future benefit payments for current plan members. This calculation compares growth in projected revenues and expenditures from all sources and includes multiple components, including medical and prescription drug costs, administrative fees, employee and employer contributions and retiree premiums. The projected solvency date and continued improvements to its timeframe are largely the result of the prudent fiscal management exercised by NMRHCA's Board of Directors, including a series of targeted benefit reductions, increased cost-sharing for plan participants, aggressive procurement practices and value-based purchasing strategies.

In 2025, NMRHCA implemented GASB 74 for the eighth year. This valuation is based on the benefits administered by the Board, characteristics of plan participants, assets as of June 30, 2025, economic assumptions and other actuarial assumptions. In a change from the GASB 43 requirements, monies that are not fully funded on an actuarial basis go through a crossover test to determine the applicable discount rate on the plan's assets. However, the latest results show that there is no projected "crossover date" when projected benefits are not covered by projected assets.

The discount rate used in the valuation for financial disclosure purposes as of June 30, 2025, is based on the assumed investment return on plan assets of 7.25 percent. Although NMRHCA does not fully prefund benefits, projections indicate that, when plan assets are projected in accordance with the

method prescribed by GASB 74, they are expected to be sufficient to cover all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments of 7.25 percent annually was applied to all periods of projected benefit payments.

The results as of the June 30, 2025, valuation indicate the Total OPEB Liability ("TOL") of $3,422,408,572, offset by the plan's fiduciary net position of approximately $1,865,731,998, resulting in a Net OPEB Liability ("NOL") of $1,556,676,574.

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

Previous reporting requirements associated with GASB 43 mandated NMRHCA to report its Annual Required Contribution ("ARC") and the percentage of the ARC contributed. Beginning June 30, 2017, under GASB 74, the equivalent of the ARC is the Actuarially Determined Contribution ("ADC"). Prior to Fiscal Year 2018, the annual required contribution was calculated by the normal cost combined with the amortization of the unfunded liability, using a five percent discount rate. The reporting requirements under GASB 74 allow for a separately defined method of funding basis (transitioned to the funding policy on a percentage of payroll basis) and a change in the discount rate methodology, resulting in a discount rate used to amortize the long-term liabilities (7.25 percent).

The following table lists the Annual Statutory Required Contributions and percentages contributed for Fiscal Years 2021 through 2025 (the most recent available).

TABLE 16
New Mexico Retiree Health Care Authority
Annual Required Contributions

Fiscal Year	Annual Required Contributions	Percentage Contributed	Actual Amounts Contributed
2021	$178,635,582	99.50%	$177,813,458
2022	187,238,171	101.08	189,266,136
2023	198,639,257	107.44	213,128,349
2024	127,360,721	100.00	127,360,721
2025	135,613,388	100.00	135,613,388

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

Source: New Mexico Retiree Health Care Authority Governmental Accounting Standards Board ("GASB") Statement 74 Actuarial Valuation and Review of Other Postemployment Benefits ("OPEB") as of June 30, 2025

Economic and Demographic Characteristics

New Mexico is the 36th largest state by population and the fifth largest in land area. The population of the State as of the time of the 2020 United States Census was 2,106,319. From 2014 to 2020, the State's population grew 0.77 percent, while the national population grew 3.49 percent. The estimated 2024 population was 2,130,256.

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

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

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

[1] All estimates are subject to change.
[2] As of July 1, population figures are stated as intercensal estimates.
Source: U.S. Census Bureau, Population Division; 2014-2019 released December 2019, April 1, 2020-July 1, 2024 released March 2025 (the most recent information available as of December 19, 2025)

Major industries in the State of New Mexico include oil and natural gas production, tourism and retail, healthcare, government, mining, and increasingly, renewable energy and aerospace. Major federally funded scientific research facilities such as Los Alamos National Laboratory, Sandia National Laboratories in Albuquerque, and the White Sands Missile Range are significant contributors to the State's economy. Additionally, technology, film and television production, and agriculture are important components of New Mexico's industry landscape. For the most recent state employment sector information, please see the information contained in Table 19 as provided by the New Mexico Department of Labor and Employment.

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TABLE 18
Total Business Establishments and Employment in New Mexico

Industries [1]	1st Quarter 2024 Units	1st Quarter 2024 Average	1st Quarter 2025 Units	1st Quarter 2025 Average	+/- Change Units	+/- Change Average
Agriculture, Forestry, Fishing and Hunting	941	8,617	905	8,422	(36)	(195)
Mining, Quarrying and Oil and Gas Extraction	1,080	23,645	1,029	24,277	(51)	632
Utilities	421	6,444	426	6,676	5	232
Construction	5,770	56,015	5,586	58,212	(184)	2,197
Wholesale Trade	3,048	20,927	2,947	20,969	(101)	42
Information	2,101	12,286	1,987	10,622	(114)	(1,664)
Finance and Insurance	3,375	22,509	3,319	22,830	(56)	321
Real Estate, Rental and Leasing	2,750	10,718	2,681	10,710	(69)	(8)
Professional and Technical Services	9,075	70,444	8,676	69,294	(399)	(1,150)
Management of Companies and Enterprises	531	5,435	489	5,013	(42)	(422)
Administrative and Support and Waste Management	4,579	48,895	4,312	48,342	(267)	(553)
Educational Services	1,726	81,273	1,693	82,664	(33)	1,391
Health Care and Social Assistance	10,774	147,898	11,176	152,325	402	4,427
Arts, Entertainment and Recreation	1,042	15,954	1,012	15,813	(30)	(141)
Accommodation and Food Services	4,518	93,628	4,429	92,623	(89)	(1,005)
Other Services (Except Public Administration)	4,718	21,696	4,475	21,879	(243)	183
Public Administration	1,796	62,786	1,797	63,940	1	1,154
Total [2]	68,291	861,645	66,746	867,299	(1,545)	5,654
Government [3]						
Federal Government	779	29,999	785	29,772	6	(227)
Local Government	2,060	104,263	2,041	106,154	(19)	1,891
State Government	1,164	49,983	1,168	51,111	4	1,128

[1] Information provided herein reflects only those employers who are subject to State unemployment insurance law.
[2] Totals may not add due to rounding and undisclosed variances in reporting.
[3] Government figures are included within the industry categories listed above.
Source: New Mexico Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW) (the most recent information available as of as of December 19, 2025)

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

TABLE 19
Employment and Labor Force New Mexico and the United States
2016–2025
(numbers in thousands)[1][2]

	Civilian Labor Force		Number of Employed		Unemployment Rate		
Year	New Mexico	United States	New Mexico	United States	New Mexico	United States	N.M. as % of U.S. Rate
2016	946	159,678	882	152,157	6.9%	4.7%	146.8%
2017	941	160,535	890	153,904	5.4	4.1	131.7
2018	951	163,206	902	156,817	5.2	3.9	133.3
2019	961	164,699	913	158,845	5.0	3.6	138.9
2020	934	160,745	856	149,975	8.4	6.7	125.4
2021	950	162,497	896	156,099	5.6	3.9	143.6
2022	954	165,025	919	159,259	3.6	3.5	102.9
2023	975	167,439	938	161,124	3.8	3.8	100.0
2024	986	168,547	943	161,661	4.3	4.1	104.9
2025	990[3]	171,571[4]	949[3]	163,741[4]	4.1[3]	4.6[4]	89.1

[1] Figures rounded to nearest thousand.
[2] Figures affected by changes in population controls.
[3] Preliminary through September 30, 2025.
[4] Preliminary through November 30, 2025.
Source: U.S. Department of Labor, Bureau of Labor Statistics; (the most recent information available as of December 15, 2025)

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

Year	Personal Income (Dollars in Millions)		Annual Percentage Change	
	New Mexico	United States	New Mexico	United States
2015	$ 79,130	$15,467,113	--	--
2016	80,782	15,884,741	2.1%	2.7%
2017	82,354	16,658,962	1.9	4.9
2018	86,179	17,514,402	4.6	5.1
2019	91,208	18,349,584	5.8	4.8
2020	98,634	19,613,059	8.1	6.9
2021	107,674	21,484,168	9.2	9.5
2022	112,280	22,144,814	4.3	3.1
2023	117,634	23,577,208	4.8	6.5
2024	124,086	24,897,613	5.5	5.6

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Data. Last Revised: September 26, 2025 revised statistics for 2020-2024 (the most recent information available as of December 19, 2025). Due to a lapse in appropriations, information from the BEA will not be updated until further notice.

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

Year	Per Capita Income (Dollars)		N.M. as a % of U.S.	Annual Percentage Change	
	New Mexico	United States		N.M.	U.S.
2015	$37,752	$48,062	78.5%	--	--
2016	38,474	48,974	78.6	1.9%	1.9%
2017	39,196	51,006	76.8	1.9	4.1
2018	40,976	53,311	76.9	4.5	4.5
2019	43,223	55,567	77.8	5.5	4.2
2020	46,556	59,151	78.7	7.7	6.4
2021	50,854	64,692	78.6	9.2	9.4
2022	53,116	66,298	80.1	4.4	2.5
2023	55,457	70,002	79.2	4.4	5.6
2024	58,249	73,204	79.6	5.0	4.6

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Data. Last Revised: September 26, 2025 revised statistics for 2020-2024 (the most recent information available as of December 15, 2025). Due to a lapse in appropriations, information from the BEA will not be updated until further notice.

TABLE 22
Wages and Salaries by Industry Sector
2014–2024

NAICS Earnings by Place of Work[1] Applicable to 2014-2023	New Mexico (Dollars in Thousands)[2]		United States (Dollars in Millions)[2]		Cumulative Annual Percent Change 2014 – 2024		Distribution of 2024 Wages & Salaries	
	2024	2014	2024	2014	N.M.	U.S.	N.M.	U.S.
Farm Wage and Salary	$ 335,640	$ 262,194	$ 36,497,000	$ 24,178,000	28.0%	51.0%	0.6%	0.0%
Non-farm Wage and Salary	56,966,080	36,360,885	12,344,896,000	7,443,527,000	56.7	65.8	99.4	99.7
Private Wage and Salary	42,560,200	26,728,207	10,524,387,000	6,224,688,000	59.2	69.1	74.3	85.0
Forestry, Fishing, and other related activities	137,121	79,278	26,833,000	16,826,000	73.0	59.5	0.2	0.2
Mining	2,471,118	2,146,595	77,049,000	86,850,000	15.1	-11.3	4.3	0.6
Utilities	458,476	351,048	81,165,000	55,086,000	30.6	47.3	0.8	0.7
Construction	3,812,199	1,903,727	681,718,000	349,130,000	100.2	95.3	6.7	5.5
Manufacturing	2,075,797	1,647,705	1,107,105,000	780,479,000	26.0	41.8	3.6	8.9
Wholesale Trade	1,610,046	1,157,672	634,688,000	420,661,000	39.1	50.9	2.8	5.1
Retail Trade	3,624,454	2,605,757	690,520,000	456,002,000	39.1	51.4	6.3	5.6
Transportation and Warehousing	1,732,518	1,035,176	476,484,000	242,297,000	67.4	96.7	3.0	3.8
Information	902,619	624,710	513,859,000	252,966,000	44.5	103.1	1.6	4.2
Finance and Insurance	1,996,758	1,364,585	956,948,000	582,075,000	46.3	64.4	3.5	7.7
Real Estate and Rental and Leasing	613,302	384,962	195,163,000	109,197,000	59.3	78.7	1.1	1.6
Professional, Scientific, and Technical Services	7,592,221	3,985,952	1,399,939,000	736,695,000	90.5	90.0	13.2	11.3
Management of Companies and Enterprises	534,191	352,931	413,466,000	246,652,000	51.4	67.6	0.9	3.3
Administrative and Waste Services	2,645,004	1,446,532	543,890,000	316,297,000	82.9	72.0	4.6	4.4
Educational Services	452,650	335,930	218,623,000	139,294,000	34.7	57.0	0.8	1.8
Health Care and Social Assistance	7,009,255	4,458,337	1,477,608,000	844,773,000	57.2	74.9	12.2	11.9
Arts, Entertainment, and Recreation	423,228	220,808	145,162,000	82,488,000	91.7	76.0	0.7	1.2
Accommodations and Food Services	2,776,979	1,563,734	501,191,000	271,784,000	77.6	84.4	4.8	4.0
Other Services, Except Public Administration	1,692,264	1,062,768	382,976,000	235,136,000	59.2	62.9	3.0	3.1
Government and Government Enterprises	14,405,880	9,632,678	1,820,509,000	1,218,839,000	49.6	49.4	25.1	14.7
Total	$57,301,720	$36,623,079	$12,381,393,000	$7,467,705,000				

[1] The estimates of wage and salary disbursements for 2014 are based on the 2012 North American Industry Classification System (NAICS), while estimates for 2017 forward are based on the 2017 NAICS.
[2] All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Revised: September 26, 2025 (the most recent information available as of December 15, 2025). Due to a lapse in appropriations, information from the BEA will not be updated until further notice.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

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

Authorization

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

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

Covenants

So long as any Bonds are outstanding, the State and the Board have covenanted and agreed with the owners of Bonds that: (a) the State will levy, assess and collect ad valorem taxes, without limit as to rate or amount, in amounts sufficient to pay the principal of and interest on the Bonds as they become due and the State will cause the proceeds of the ad valorem taxes collected to be set aside and applied promptly to pay the principal of and interest on the Bonds when due; (b) the State will promptly pay the principal of and the interest on the Bonds, at the places, on the dates and in the manner specified in the Bond Resolution and in the Bonds; (c) the State will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to each of the funds and the accounts designated in the Bond Resolution; (d) any owner of any of the Bonds or any duly authorized agent of an owner, will have the right, at all reasonable times, to inspect all records, accounts and data relating to the Bonds, the collection of ad valorem taxes and the accounts designated in the Bond Resolution; provided, however, that pursuant to Section 6-14-10E NMSA 1978, as amended, records with regard to the ownership of or pledges of the Bonds are not subject to inspection or copying under any law of the State relating to the right of the public to inspect or copy public records; (e) the State will prepare annual statements or audits of collections and disbursements of ad valorem taxes in sufficient detail to show compliance with requirements of the Bond Resolution and the State will furnish a copy of such audit to any owner of Bonds upon written request therefor; (f) in order to prevent any accumulation of claims for interest after maturity, the State will not directly or indirectly extend or assent to the extension of time for the payment of interest on any of the Bonds and if the time for the payment of any such claim is extended, such extended payment or payments of interest will not be entitled, in the event of default under the Bond Resolution, to the benefit or security of the Bond Resolution, except upon the prior payment in full of the principal of and interest on the Bonds, on which the payment of interest has not been extended; (g) each official or other person having custody of any funds derived from State ad valorem taxes, or responsible for their handling, will be bonded as provided by law, which bond will be conditioned upon the proper application of those funds; (h) the State will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or which would result in the loss of the exclusion from gross income for federal income tax purposes of the interest on the Bonds, and the Governor and the Secretary of the Department of Finance and Administration of the State, or any other officer of the State having responsibility for the issuance of the Bonds, will give an appropriate certificate of the State, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the State regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds; (i) the State (1) comply with all applicable provisions of the Code, including, Sections 103 and 141-150 and the regulations and rulings thereunder, necessary to maintain the excludability from federal gross income of interest on the Bonds, (2) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes and (3) will not take or permit to be taken any actions which would adversely affect that exclusion, and the State or persons acting for it, will, if necessary to maintain such exclusion, among other acts of compliance, (i) apply, or cause to be applied, the proceeds of the Bonds to the purpose of the borrowing, (ii) restrict the yield on investment-type property acquired with those proceeds, (iii) make timely rebate payments to the federal government in accordance with Section 148 of the Code and the Bond Resolution, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code, which the Secretary of the Department of Finance

and Administration of the State, State Treasurer and other appropriate officers are authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure; and (j) interest on the Bonds is exempt from taxation by the State.

Defeasance

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

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

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

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

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

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

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

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

Amendment of Resolution

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

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

Remedies of Holders of Bonds

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

Payment of Principal and Interest

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRANSCRIPT AND LEGAL OPINIONS

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

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

TAX MATTERS

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

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

certifications of the Issuer and other certifications furnished to Tax Counsel. Tax Counsel has not undertaken to verify such certifications by independent investigation.

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

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

Original issue discount may be included in "adjusted financial statement income" of "applicable corporations" for the purpose of the corporate alternative minimum tax imposed under Section 55(b) of the Tax Code for taxable years beginning after December 31, 2022. For this purpose, accrued original issue discount on the Discount Bonds may be deemed to be received and included in adjusted financial statement income in the year of accrual even though there will not be a corresponding cash payment. Applicable corporations should consult their tax advisors with respect to the appropriate timing and amount of original issue discount to include in "adjusted financial statement income" in any particular tax year.

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

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies,

recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds were sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Tax Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

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

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

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

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

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

LITIGATION

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

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

UNDERWRITING

The Bonds were purchased at a competitive sale on January 21, 2026 by J.P. Morgan Securities LLC.

FINANCIAL STATEMENTS

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

FINANCIAL ADVISORS

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

RATINGS

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

Such ratings reflect only the views of the respective organizations. An explanation of the significance of each rating may be obtained from the rating agency furnishing such rating. There is no assurance that such ratings will continue for any given period of time or that they will not be revised

downward or withdrawn entirely by such rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any downward revision or withdrawal of either rating can be expected to have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The Board will agree, by means of a continuing disclosure undertaking (the substantial form of which appears in Appendix D) to be delivered to the purchaser of the Bonds at closing, for the benefit of owners of the Bonds, to provide certain annual financial information relating to the State by no later than 210 days after the end of each fiscal year of the State, commencing with the fiscal year ending June 30, 2026, and to provide notices of occurrence of certain enumerated events. The Board will further agree in the continuing disclosure undertaking that if its audited financial statements are not provided as part of the annual financial information, the Board will provide such audited statements when available. The annual financial information and audited financial statements (when available) and material event notices will be filed by the Board with the Municipal Securities Rulemaking Board (through EMMA) and with any New Mexico State Information Depository. In the event of a failure of the Board to comply with any provision of the continuing disclosure undertaking, any owner of Bonds (including beneficial owners of the Bonds) may seek specific performance by court order from the First Judicial District Court in Santa Fe County, New Mexico.

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

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MISCELLANEOUS

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

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

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

STATE BOARD OF FINANCE
OF THE STATE OF NEW MEXICO

By: /s/ Governor Michelle Lujan Grisham

APPENDIX A

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

STATE OF NEW MEXICO

Annual Comprehensive Financial Report

For the Fiscal Year End 2024

Prepared by:
The Department of Finance and Administration

Cabinet Secretary Wayne Propst
Acting State Controller Mark Melhoff

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

STATE OF NEW MEXICO

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION

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New Mexico
Department of Finance
and Administration

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

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

Governor Michelle Lujan Grisham

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

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

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

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

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

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

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

PROFILE OF STATE OF NEW MEXICO

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

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

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

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

LONG-TERM FINANCING

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

ACKNOWLEDGMENTS

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

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

Sincerely,

DocuSigned by:
Wayne Propst
6EB4D958A89A432...

3/20/2025

Wayne Propst
Cabinet Secretary

STATE OF NEW MEXICO

SELECTED STATE OFFICIALS
June 30, 2024

Executive

Michelle Lujan Grisham, Governor — Howie Morales, Lieutenant Governor

Maggie Toulouse Oliver Secretary of State	**Joseph M. Maestas** State Auditor	**Laura Montoya** State Treasurer	**Raul Torrez** Attorney General	**Stephanie Garcia Richard** Commissioner of Public Lands

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

Judicial

David K Thomson Chief Justice of the Supreme Court	**Michael E. Vigil** Justice of the Supreme Court	**C. Shannon Bacon** Justice of the Supreme Court	**Julie J. Vargas** Justice of the Supreme Court	**Briana H. Zamora** Justice of the Supreme Court

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

Legislative - Senate

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

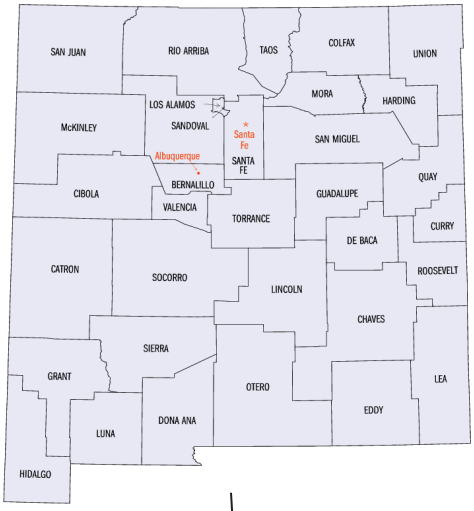
Legislative – House of Representatives

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

STATE OF NEW MEXICO

ORGANIZATIONAL CHART
June 30, 2024

Citizens of New Mexico



EXECUTIVE

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

LEGISLATIVE

Senate
House of Representatives

JUDICIAL

Supreme Court
Court of Appeals
District Courts
Magistrate Courts

GOVERNOR'S CABINET

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

FINANCIAL SECTION

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

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

Percentage Audited by Other Auditors

Government-Wide	Total Assets	Total Revenues
Governmental activities	84%	50%
Business-type activities	94%	99%
Aggregate discretely presented component units	66%	63%
Fund Statements		
Major governmental fund - General Fund	75%	50%
Major governmental fund - Severance Tax Permanent Fund	100%	100%

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

Basis for Opinions

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

Emphasis of Matter

Restatement

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Albuquerque, NM
March 25, 2025

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INTRODUCTION

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

FINANCIAL HIGHLIGHTS

Government-wide

Net Position of the Primary Government

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

Long-term Debt

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

Fund Level

Governmental Funds

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

Proprietary Funds

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

This report also includes statistical data.

Reporting on the State as a Whole

Government-wide Statements

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

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

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

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

Governmental Activities

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

Business-type Activities

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

Component Units

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

Reporting on the State's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Reconciliation between Government-wide and Fund Statements

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

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

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

Other Supplementary Information

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

ADJUSTMENTS TO BEGINNING NET POSITION AND FUND BALANCES

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

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

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

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

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

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

Changes in Net Position

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

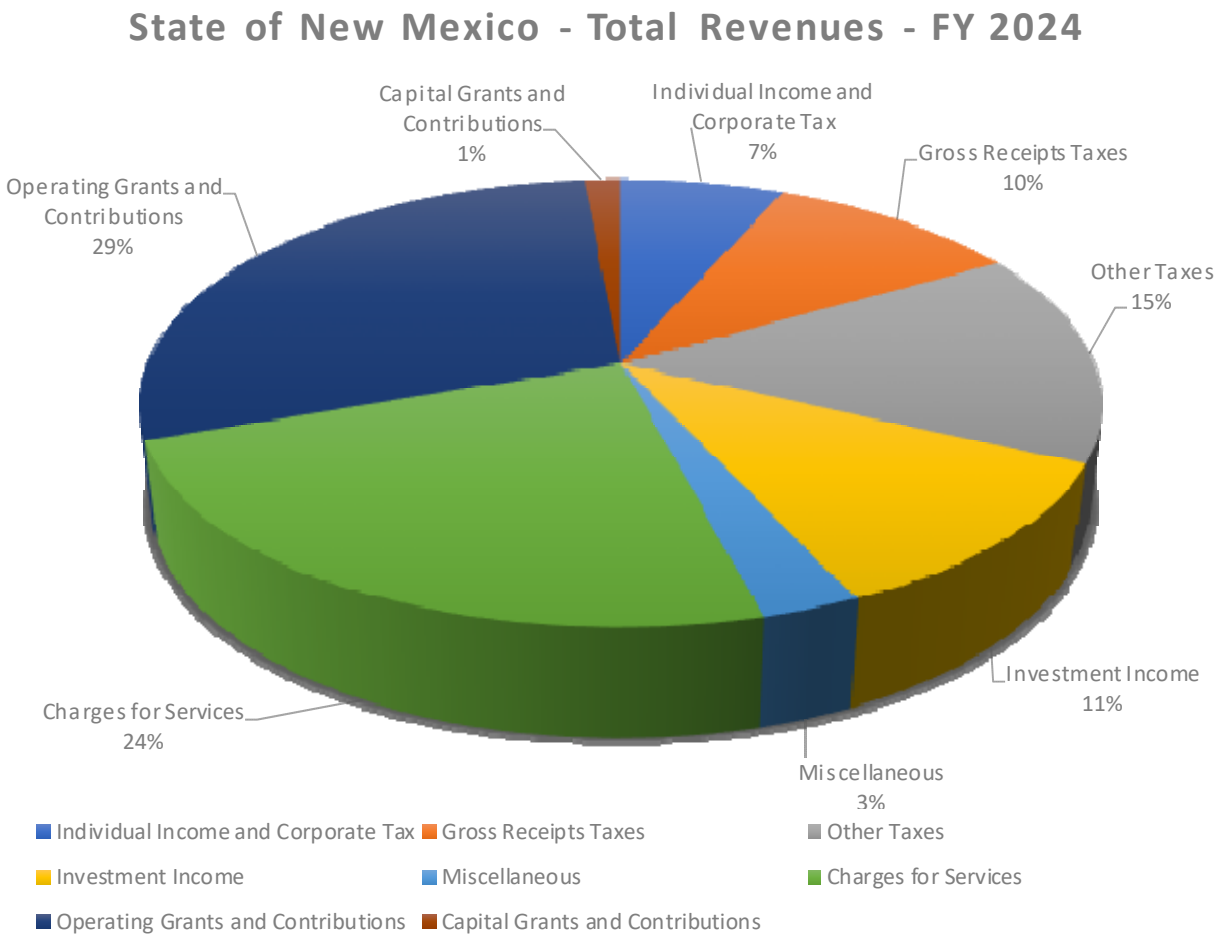
The State earned program revenues of $22.1 billion, collected tax revenue of $13.1 billion, and had a gain in general revenues related to investment revenues (expenses) of $4.5 billion. Total revenues for 2024 were $40.1 billion, an increase of $1 billion, or 2.6 percent from fiscal year 2023. The expenses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

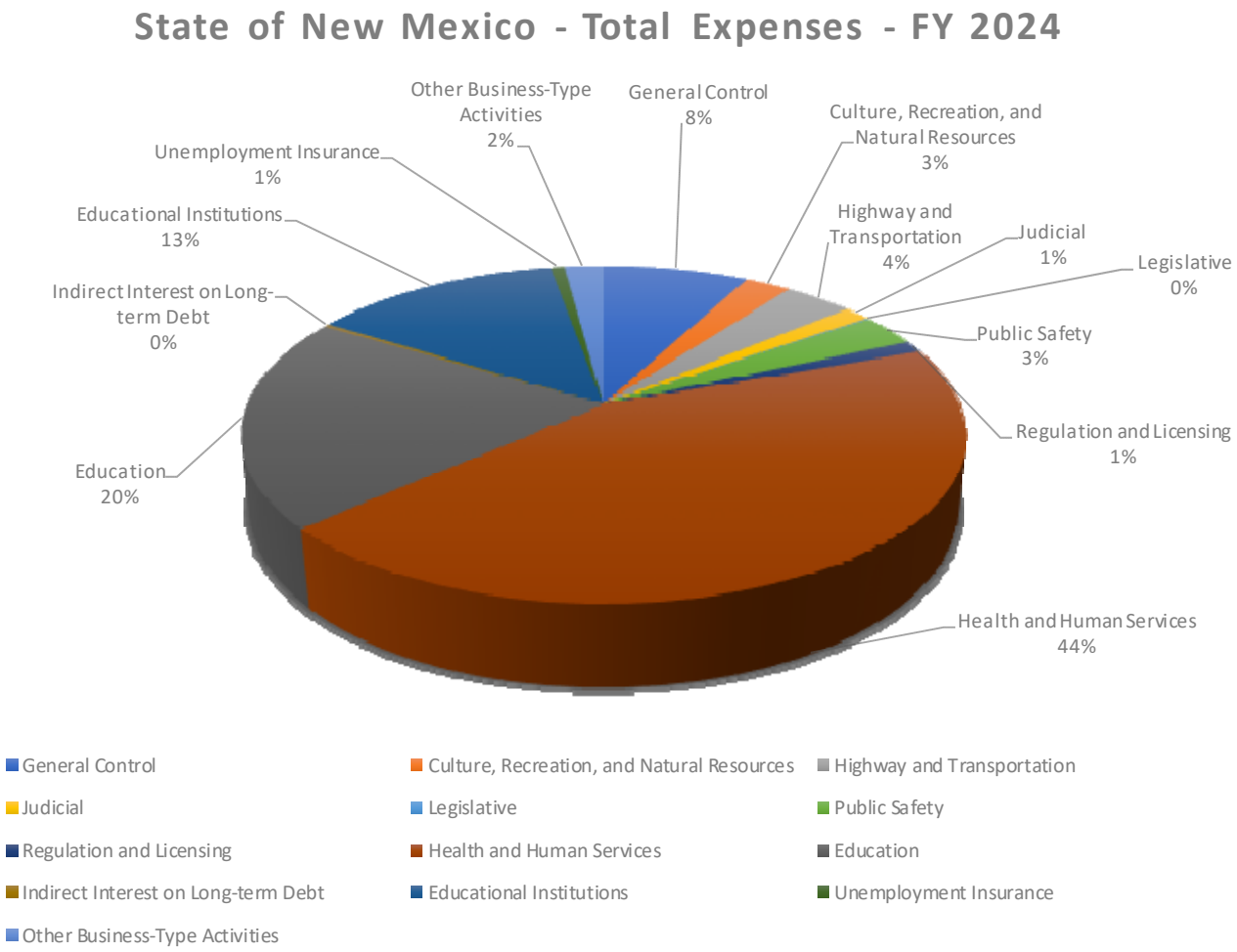
The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2024:

State of New Mexico
Changes in Net Position

For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

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


State of New Mexico - Total Revenues - FY 2024
Capital Grants and Contributions 1%
Individual Income and Corporate Tax 7%
Gross Receipts Taxes 10%
Operating Grants and Contributions 29%
Other Taxes 15%
Investment Income 11%
Charges for Services 24%
Miscellaneous 3%
Individual Income and Corporate Tax
Gross Receipts Taxes
Other Taxes
Investment Income
Miscellaneous
Charges for Services
Operating Grants and Contributions
Capital Grants and Contributions



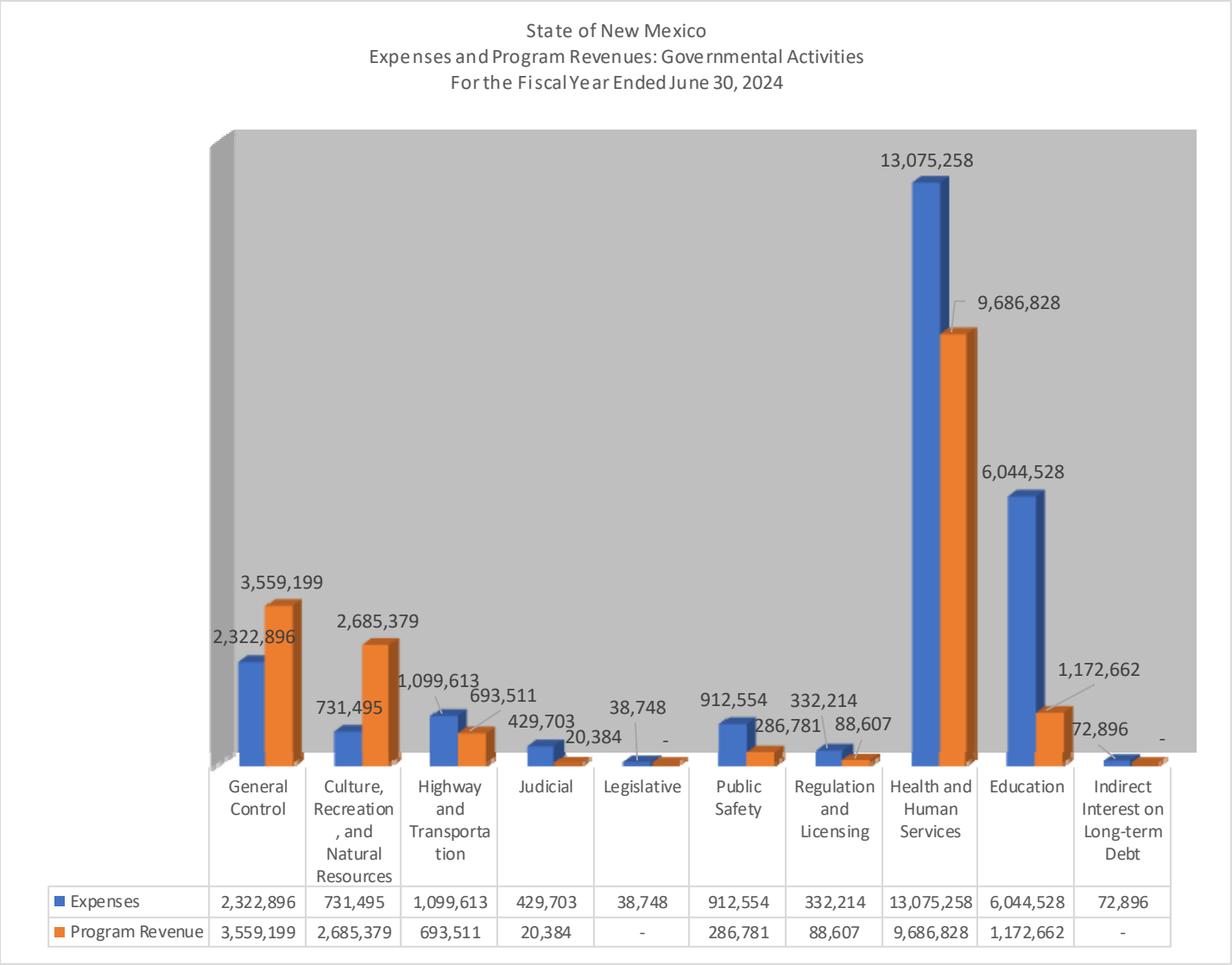
Governmental Activities

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

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

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

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



	General Control	Culture, Recreation, and Natural Resources	Highway and Transportation	Judicial	Legislative	Public Safety	Regulation and Licensing	Health and Human Services	Education	Indirect Interest on Long-term Debt
Expenses	2,322,896	731,495	1,099,613	429,703	38,748	912,554	332,214	13,075,258	6,044,528	72,896
Program Revenue	3,559,199	2,685,379	693,511	20,384	-	286,781	88,607	9,686,828	1,172,662	-

Business-type Activities

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

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

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

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

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

Governmental Funds

General Fund

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

Budgetary Highlights – General Fund

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

Severance Tax Fund

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

Land Grant Fund

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

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

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

Educational Institutions

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

DISCRETE COMPONENT UNITS

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

The State's discretely presented major component units are:

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

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

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Asset Activity

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

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

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

Long-term Debt Activity

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

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

State of New Mexico
Bond Ratings at June 30, 2024

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

Economic Factors Affecting New Mexico's Fiscal Year 2024 Budget

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

Trends in the U.S. Economy

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

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

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

New Mexico Economy

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

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

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

General Fund Revenue and Reserve Outlook

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

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

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

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

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

CONTACT THE STATE'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General Control	$ 2,322,896	$ 3,340,947	$ 218,239	$ 13	$ 1,236,303	$ -	$ 1,236,303	$ -
Culture, Recreation, and Natural Resources	731,495	2,592,067	72,451	20,861	1,953,884	-	1,953,884	-
Highway and Transportation	1,099,613	117,607	13,649	562,255	(406,102)	-	(406,102)	-
Judicial	429,703	16,653	3,590	141	(409,319)	-	(409,319)	-
Legislative	38,748	-	-	-	(38,748)	-	(38,748)	-
Public Safety	912,554	10,159	276,317	305	(625,773)	-	(625,773)	-
Regulation and Licensing	332,214	59,659	28,948	-	(243,607)	-	(243,607)	-
Health and Human Services	13,075,258	268,446	9,418,382	-	(3,388,430)	-	(3,388,430)	-
Education	6,044,528	10,269	1,162,393	-	(4,871,866)	-	(4,871,866)	-
Interest on Long-Term Debt	72,896	-	-	-	(72,896)	-	(72,896)	-
Total Governmental Activities	25,059,905	6,415,807	11,193,969	583,575	(6,866,554)	-	(6,866,554)	-
Business-Type Activities:								
Educational Institutions	3,954,505	2,547,041	599,426	30,411	-	(777,627)	(777,627)	-
Public Schools Insurance	530,541	484,978	-	-	-	(45,563)	(45,563)	-
Environmental Loans	1,384	8,803	-	-	-	7,419	7,419	-
Miners' Colfax Medical Center	36,736	29,654	-	-	-	(7,082)	(7,082)	-
Unemployment Insurance	223,018	191,876	-	-	-	(31,142)	(31,142)	-
State Fair - EXPO	17,535	13,939	-	-	-	(3,596)	(3,596)	-
Other Business-type Activities	25,916	21,929	20,967	-	-	16,980	16,980	-
Total Business-Type Activities	4,789,635	3,298,220	620,393	30,411	-	(840,611)	(840,611)	-
Total Primary Government	$ 29,849,540	$ 9,714,027	$ 11,814,362	$ 613,986	$ (6,866,554)	$ (840,611)	$ (7,707,165)	-
Discretely Presented Component Units								
Major Component Units	$ 351,194	$ 347,360	$ 63,944	$ -	$ -	$ -	$ -	60,110
Nonmajor Component Units	354,130	10,201	112,558	-	-	-	-	(231,371)
Total Component Unit Activities	$ 705,324	$ 357,561	$ 176,502	$ -	-	-	-	(171,261)
		GENERAL REVENUES						
		Taxes:						
		Individual Income			2,046,878	-	2,046,878	-
		Corporate Income			640,784	-	640,784	-
		Gross Receipts Taxes			4,147,401	-	4,147,401	-
		Business Privilege			6,144,466	-	6,144,466	-
		Other Taxes			122,019	-	122,019	-
		Payment to the State of New Mexico			-	-	-	666,782
		Payment from State of New Mexico			-	-	-	(98,512)
		Investment Income			4,490,045	79,535	4,569,580	257,667
		Miscellaneous			811,771	339,765	1,151,536	(41,267)
		Transfers, Net			(1,499,482)	1,499,482	-	-
		Total Net General Revenues and Transfers			16,903,882	1,918,782	18,822,664	784,670
		CHANGES IN NET POSITION			10,037,328	1,078,171	11,115,499	613,409
		Net Position - Beginning, as Orginally Reported			57,422,033	1,934,108	59,356,141	1,706,364
		Restatement (See Note 9)			-	61,769	61,769	-
		Net Position - Beginning, as Restated			57,422,033	1,995,877	59,417,910	1,706,364
		NET POSITION - ENDING			$ 67,459,361	$ 3,074,048	$ 70,533,409	$ 2,319,773

See accompanying Notes to Financial Statements.

General Fund

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

Severance Tax Fund

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

Land Grant Fund

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

Nonmajor Governmental Funds

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

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

Total Fund Balances - Governmental Funds		$ 66,094,716
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Land and Other Nondepreciable Assets (Less $23,636 ISF)	$ 2,128,636	
Buildings, Equipment, Infrastructure, and Other Depreciable Assets (Not Including $262,637 in Internal Service Fund Balances)	14,482,132	
Accumulated Depreciation (Less $170,404 ISF)	(7,922,344)	8,688,424
In the fund statements, assets (receivables) not available to provide current resources are offset with deferred inflows of resources. The reduction of the liability and recognition of revenue increases net position in the statement of net position.		502,017
The deferred charge on bond refunding issues is not recognized in the governmental funds, but is recognized in the government-wide statements.		15,903
The net pension asset for the pension fund which has a positive net position is reported in the statement of net position, but not in the funds statements.		28,176
The pension and OPEB-related deferred outflows of resources are not recognized in the government-wide statements, and neither are the deferred inflows of resources.	783,371	
(Less $11,154 and $8,132 for ISF)	(558,604)	224,767
Internal service funds (ISF) are used by management to charge for certain activities, such as insurance, information technology, fleet operations, printing, and telecommunications. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		(263,389)
Accrued interest payable is not recognized in the governmental funds statements.		(33,492)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the fund financial statements:		
Net Pension Liability (Less ISF $59,173)	(4,118,525)	
Net OPEB Liability (Less ISF $5,913)	(393,726)	
Bonds Payable, Including Bond Premiums Net of Amortization	(2,519,856)	
Lease and SBITA Liabilities Not Recognized in Governmental Funds (Less ISF $13,863)	(545,003)	
Compensated Absences, Notes Payable, Contingent Liabilities, and Other Liabilities (Less $1,635 ISF)	(220,651)	(7,797,761)
Total Net Position - Governmental Activities		$ 67,459,361

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds		$ 9,379,895
The change in Net Position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	$ 958,735	
Depreciation/Amortization Expense (Less ISF $29,645)	(498,486)	
Excess of Capital Outlay Over Depreciation Expense		460,249
Net change in deferred inflows of resources, adjustments from prior year (reported) as deferred inflows of resources in the balance sheet - governmental funds and reported as revenue in the statement of activities.)		(16,391)
Capital gain (loss) is not recognized in the fund financial statements, but is in the government-wide.		
Net Value of Assets Disposed of During the Year		(4,364)
Net transfer of capital assets to other funds from governmental funds.		(31,232)
Internal service funds are used by management to charge for certain activities, such as fleet operations, risk management, printing and records, communications services, and information processing. The net revenue (expense) of the internal service funds is reported with governmental activities.		(156,865)
Bond proceeds, notes, and leases provide current financial resources to governmental activities by issuing debt, which increases long-term liabilities in the statement of net position. Repayments of the bond, notes, and lease principal are expenditures in the governmental funds, but reduce liabilities in the statement of net position:		
Payment of Bond Principal	442,340	
Sponge Bonds Proceeds	(1,505,715)	
Sponge Bonds Principal Payments	1,505,715	442,340
Governmental funds report the effect of bond premium and discount items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		65,663

See accompanying Notes to Financial Statements.

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

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

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

See accompanying Notes to Financial Statements.

Educational Institutions Fund

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

Nonmajor Enterprise Funds

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

Internal Service Fund

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

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

Pension and Other Employee Benefits Trust Funds

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

External Investment Trust Funds

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

Private Purpose Trust Funds

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

Custodial Funds

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

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

New Mexico Finance Authority

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

New Mexico Mortgage Finance Authority

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

New Mexico Lottery Authority

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

University of New Mexico Foundation

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

New Mexico State University Foundation

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

Nonmajor Component Units

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

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Units

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

UNM Rainforest Innovations

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

Lobo Development Corporation

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

Lobo Energy, Inc.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

University of New Mexico Medical Group (UNMMG)

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

UNM - Sandoval Regional Medical Center (SRMC)

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

Arrowhead Center, Inc.

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

New Mexico Institute of Mining & Technology Employee Benefit Trust

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

New Mexico Institute of Mining & Technology Research Park Corporation

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

New Mexico Highlands University Highlands Stable Isotopes Corporation

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

Discretely Presented Component Units

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

New Mexico Finance Authority (NMFA)

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

New Mexico Mortgage Finance Authority (NMMFA)

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

New Mexico Lottery Authority (Lottery Authority)

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

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

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

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

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

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

Nonmajor Component Units

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation - Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

Fund Financial Statements

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

The State reports the following governmental funds:

Major Funds

General Fund

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

Severance Tax Fund

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Major Funds (Continued):

Land Grant Fund

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

Nonmajor Funds

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

The State reports the following enterprise funds:

Major Fund

Educational Institutions Fund

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

Nonmajor Funds

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

The State reports the following internal service fund:

Internal Service Fund

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Additionally, the State reports the following fiduciary fund types:

Pension and Other Employee Benefits Trust Funds

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

External Investment Funds

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

Private-Purpose Trust Funds

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

Custodial Funds

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

E. Measurement Focus and Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information

1. Budgetary Basis of Accounting

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

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

2. Budget to GAAP Reconciliation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

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

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

4. Excess of Expenses/Expenditures Over Budget

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Investments (Continued)

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

3. Investment Pools

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Investment Pools (Continued)

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

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

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

State Investment Council - The State Investment Council (the Council) is responsible for the investment activities of certain state trust funds. The Council's investments are reported in the following categories: governmental activities, business-type activities, private-purpose trust funds, and external investment trust funds. Each of the fund types are participants in the Council's pools. Each pool is composed of units of participation of unlimited quantity. Each unit of participation represents an equal beneficial interest in the respective pool and no unit has priority over any other. Each purchase or sale of units requires written authorization as defined in the joint powers agreements executed between the Council and each participant. All units are purchased by cash payment. Each unit of participation is recorded in book entry form by the Council.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Investment Pools (Continued)

The external portion of the Council's investment pools is reported as a separate investment trust fund. The internal portion, consisting of funds belonging to the State and its component units, has been included in the various funds and component units.

A copy of the Council's report can be obtained by writing the New Mexico State Investment Council, 41 Plaza la Prensa, Santa Fe, NM 87507.

4. Inventories

The governmental funds, except for the Department of Transportation are mandated to use the purchase method of accounting for inventories. Under the purchase method, inventories are recorded as expenditures when purchased. For the consumption method, costs are recorded as expenditures when consumed rather than when purchased.

Inventories of the proprietary funds are valued by using either the average cost, retail inventory, or first-in-first-out (FIFO) methods.

5. Receivables and Loan Receivables

Receivables, net of allowance, in the governmental activities, business-type activities, and fiduciary activities consist mainly of amounts due from the federal government, local governments, customers, patients and applicable insurance companies, taxpayers, students, and others.

Various reimbursement procedures are used for federal awards received by the State. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. As a result of this and other issues, management provides an allowance for potential contractual allowances for federal revenue. Any changes in these estimates are recorded in the period that the estimate is changed. Loans are stated at their principal amount. Interest on loans is accrued based on the daily principal balance outstanding, except when a loan has been past due for 90 days. Certain loans are to governmental entities and secured by certain pledged revenues. The loans are being repaid in accordance with their loan agreements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Capital Assets

Capital assets, which include automobiles, buildings and improvements, furniture and fixtures, software, library books, infrastructure (e.g., roads, bridges, sidewalks, and similar items), machinery and equipment, and portable buildings are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The State defines capital assets as costing at least $5,000 or more when acquired and having an estimated useful life greater than one year. The significant threshold related to aggregate capital asset acquisition for the State is $200,000. If a similar grouping of capital asset acquisition exceeds this amount in total, at the time of purchase, the acquisition will be capitalized.

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund financial statements. Interest expense for capital asset construction related to governmental activities is not capitalized Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In accordance with the practices followed by many museums and libraries, museums and library collections are not reported as assets in the accompanying financial statements. Purchases of the items are reported as expenditures. Certain library books, however, are capitalized.

There is no depreciation recorded for land, mineral rights, art, and construction in progress. Buildings, equipment, infrastructure, and other depreciable assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	10 to 40 Years
Land Improvements	15 to 30 Years
Leasehold Improvements	15 Years
Furniture and Fixtures	5 to 7 Years
Machinery and Equipment	5 to 20 Years
Data Processing Equipment	3 to 8 Years
Vehicles and Aircraft	3 to 15 Years
Buildings and Improvements	5 to 75 Years

As provided by GASB standards, the State elected to use the depreciation method to account for infrastructure assets (roads and bridges). This method requires the State to allocate the cost of infrastructure assets over their estimated useful lives as depreciation expense.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Capital Assets (Continued)

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

7. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

8. Accrued Liabilities

Accrued liabilities include accrued current payroll and fringe benefits payable at year-end. These benefits consist of the employee and employer portions of taxes, insurance, retirement, and other compensation-related withholdings.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Compensated Absences

Qualified employees' vacation leave is accrued at a graduated schedule of 80 to 160 hours per year, depending upon the length of service and employees' hire date. Employees are paid for the accumulated annual leave upon retirement or other termination up to 240 hours. A maximum of 30 days of annual leave (240 hours) may be carried forward into the beginning of the calendar year, with any excess forfeited. Qualified employees sick leave accrued at the rate of four hours per bi-weekly pay period. There is no limit to the amount of sick leave, which an employee may accumulate. Employees are paid for accumulated sick leave annually, or upon retirement or other termination, but only for accumulated sick leave in excess of 600 hours. Annually, employees may be paid 50% of the excess over 600 hours, up to a maximum of 120 hours. Upon retirement or other termination, employees are paid 50% of the excess over 600 hours, up to maximum of 400 hours. The total liability of the governmental activities for compensated absences is recorded in the government-wide statement of net position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the Governmental funds financial statements. See additional disclosure in the detailed notes.

10. Unearned Revenue

In the government-wide statements, governmental activities/funds, proprietary fund statements, and fiduciary fund statements, unearned revenue is recorded when cash or other assets are received prior to being earned. GASB Statement 65 requires resources received from another government under voluntary or government-mandated nonexchange transactions before time restrictions are met, but after all other eligibility requirements are met, should be classified as deferred inflows of resources.

11. Bonds Payable

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Insurance Losses and Loss Adjustment Expense

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

Retiree Health Care Authority - The amount shown for the Retiree Health Care Authority as reserve for losses and loss adjustment expenses is an actuarially calculated estimate of the ultimate costs of settling all incurred but not reported claims as of the fiscal year-end, while the amount shown on the accompanying fiduciary statement of changes in fiduciary net position as losses and loss adjustment expenses represents the change in this estimate during the fiscal year. These reserves represent, in management's opinion, the best estimate of the ultimate cost of settling all reported and unreported claims. There exists a range of variability around the best estimate of the ultimate cost of settling all unpaid claims. Accordingly, the amount reflected in the accompanying financial statements may not ultimately be the actual cost of settling all unpaid claims and the difference may be significant.

13. Interfund Transactions

Government-Wide Financial Statements

Interfund Activity

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Interfund Transactions (Continued)

Government-Wide Financial Statements (Continued)

Interfund Balances

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

Interfund Activity

Interfund transactions for goods sold or services rendered for a price approximating the external exchange value and employee benefit contributions are accounted for as revenues and expenditures/expenses in the funds involved.

Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. The State's transfers are based on legislative appropriations or other legal authority.

14. Net Position and Fund Balance

- **Net investment in capital assets.** Consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of bonds, mortgages, notes, lease liabilities, subscription-based information technology arrangements, or other debt attributable to the acquisition, construction, or improvement of such assets. Significant unspent related debt proceeds are not included in the calculation of net investment in capital assets. The unspent portion of the debt is included in restricted for capital projects. The State issues General Obligation bonds and Severance Tax bonds to finance projects for the State and local governments. The Legislature appropriates the bond proceeds from each bond issue to projects throughout the State. Only bonds issued for projects appropriated to State agencies and recognized as a State asset are included in this calculation.

- **Restricted net position.** The State reports net position as restricted when constraints placed on net position are a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Net Position and Fund Balance (Continued)

Amounts designated as either expendable or nonexpendable. Expendable restricted net position includes those funds that may be expended either for a stated purpose or for a general purpose subject to externally imposed stipulations. Nonexpendable restricted net position includes those funds that are required to be retained in perpetuity. Restricted net position includes the State's permanent endowment funds subject to externally imposed restrictions governing their use.

- **Unrestricted net position.** Amounts consist of net position that does not meet the definition of net investment in capital assets or restricted net position.

When both restricted and unrestricted net position are available for use, it is the State's policy to use restricted resources first and then unrestricted resources, as they are needed.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned.

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

- **Restricted fund balance.** Represents those portions of fund balance where constraints placed on the resources are either externally imposed by outside parties or internally imposed by law through constitutional provision or enabling legislation.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Net Position and Fund Balance (Continued)

- **Assigned fund balance.** Amounts constrained by the Legislature's intent to be used for specific purposes by directive of the Legislative Finance Committee of the Legislature or in some cases by legislation. Legislative directives dictate that all fund balances remaining at the end of the fiscal year shall be reverted back to the State General Fund unless the fund is stipulated as nonreverting by the Legislature or by laws or regulations imposed by grantors. If the fund is nonreverting, the agency governing board or department head has the authority to assign a fund balance for a specific use.

- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The State has not adopted a formal flow assumption policy and, therefore, uses the GASB recommendations; that is, it is the State's policy to use restricted fund balance before using components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance, and lastly, unassigned fund balance.

H. Revenues and Expenditures/Expenses

In the government-wide statement of activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function for governmental activities (e.g., general control, education, health and human services, etc.).

Additionally, revenues are classified between program and general revenues. Program revenues include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes. Certain indirect costs are included in the program expenses reported for individual functions.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

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

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

Grants

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

Investment Income

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

Endowments

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

Retirement and Employee Benefit Costs

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

I. Use of Estimates

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

J. New Accounting Standards

For the fiscal year ended June 30, 2024, the State implemented the following new accounting standards issued by the GASB:

GASB Statement No. 100, *Accounting Changes and Error Corrections*

This statement provides guidance and clarification when dealing with accounting changes and error corrections.

K. Future Accounting Standards

The following pronouncements of the GASB are due to be implemented by the State in the year indicated. For all of these new standards, the State has not determined the effect on the financial statements that implementation of the standards will entail.

GASB Statement No. 101, *Compensated Absences*

This statement attempts to bring more uniformity into measuring and reporting for compensated absences. This statement is due to be adopted by the State for the fiscal year ending June 30, 2025.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Future Accounting Standards (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more-likely-than-not to begin to occur within 12 months of the date the financial statements are issued. Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

L. State Auditor Rule Disclosure

The Office of the State Auditor Rule requires that audit reports contain a schedule of Joint Powers Agreements (JPA) and Memoranda of Understanding (MOU) that are significant to the State as a whole. There are none that meet this criterion.

Disclosure of these schedules may be found in the stand-alone audit reports which have been issued by the individual State agencies. These are available from the Office of the State Auditor at https://www.osa.nm.gov/.

NOTE 2 CASH PRIMARY GOVERNMENT

New Mexico State Treasurer

All monies, except with specific authority, must be deposited with the State Treasurer. These operating funds are commingled in the State Investment Pool, managed by the Treasurer. Every State agency reports its operating cash as "Investment in State General Fund Investment Pool", and this pool is reported in Note 3, "Investments". The issues concerning the reconciliation of the State General Fund Investment Pool and the resolution are reported in Note 16, "State General Fund Investment Pool."

Cash on deposit represents the demand deposit account with the fiscal agent bank. Current year transactions reflect all banking activity for the fiscal year as well as the activity of investments purchased and disposed of during the fiscal year. The State Treasurer invests all public monies, with the exception of the New Mexico Lottery and the university funds. The university funds are entirely under the control of the universities. These funds are held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance (BOF). The State Treasurer invests excess cash balances on behalf of certain earmarked funds of state agencies identified by State statute and local governments. Interest earnings are distributed based on average outstanding cash balances for local governments and the state agencies where interest is allowed to be earned. All other interest earnings are transferred to the State General Fund Appropriations Account.

All State agencies, unless otherwise exempted, must have specific approval from the State Treasurer in order to maintain separate bank accounts. These accounts are mainly used for custodial fund purposes, when the funds are being held by the agency in a fiduciary capacity and the funds do not belong to the State.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The State Treasurer's Office collateral manager reviews and tracks all state funds held in state depository institutions. Deposits and collateral are reviewed almost daily, and a statutorily required risk assessment is performed quarterly. Balances are collateralized in compliance with NMAC 2.60.4.

NOTE 2 CASH PRIMARY GOVERNMENT (CONTINUED)

New Mexico State Treasurer (Continued)

Custodial Credit Risk (Continued)

The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance. The Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the $250 thousand in federal deposit insurance. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment, dependent on the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50% of the average investment balance.

As of June 30, 2024, collateral pledged to public money deposits was as follows:

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

	Fiscal Agent Account
Cash in Bank *	$ 2,556,506
Less: FDIC Insurance Coverage	6,059
Total Uninsured Public Funds	2,550,447
Collateral Requirement (50% - 102% of Uninsured Public Funds	$ 1,367,238
Collateral Pledged:	
U.S. Government Securities	157,340
Surety Bond	3,448,062
Collateral Pledged	3,605,402
Over (Under) Collateralized	$ 2,238,164

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

NOTE 2 CASH PRIMARY GOVERNMENT (CONTINUED)

New Mexico State Treasurer (Continued)

Custodial Credit Risk (Continued)

While the balances of the Office of State Treasurer are fully collateralized per state statute, GASB Statement No. 40 requires that the State disclose balances which are not fully insured. As of June 30, 2024, the funds held by the State Treasurer in the fiscal agency account were exposed to custodial credit risk as follows:

Office of the State Treasurer
Custodial Credit Risk
(Expressed in Thousands)

	Balance at June 30, 2024
Cash in Banks	$ 255,471
Less: Deposit of Institutions Which are Fully Insured and Collateralized	-
Deposits of Institutions Not Fully Collateralized	255,471
Less: FDIC Insurance Coverage	-
Uninsured Deposits	255,471
Collateral Pledged:	
Surety Bond	121,746
Securities	80,000
Total Collateral Pledged	201,746
Subject to Custodial Credit Risk	$ 53,725

In the table above, FDIC insurance coverage and collateral pledged relate only to those institutions whose deposits are not fully insured and/or collateralized.

The cash deposits which relate to investments of the State Investment Council, the Public Employees Retirement Association, the Educational Retirement Board, the Retiree Health Care Authority, and the Education Trust Board are monitored by their individual Boards in conjunction with contracted professional investment firms. The respective Boards of these agencies have instituted policies and procedures to safeguard the public assets under their control.

NOTE 3 INVESTMENTS

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

	Balance at June 30, 2024
Primary Government:	
Current:	
Investment in State General Fund Investment Pool	$ 14,619,587
Investment in Local Government Investment Pool	85,229
Investments	47,649,087
Noncurrent:	
Investments	885,268
Fiduciary Funds:	
Investment in State General Fund Investment Pool	426,434
Investment in Local Government Investment Pool	15,596
Investments	41,429,138
Component Units:	
Investments	3,428,591
Investment in Local Government Investment Pool	31,156
Total Investments	$ 108,570,086
Reconciliation to Investments Presented	
Total Presented Above	$ 108,570,086
Less: Cash and Cash Equivalents Held in Brokerage Accounts Included in Investment Pools	(935,201)
Total Separately Held Investments	$ 107,634,885

There are six different agencies or groups which report investments for the State, each of them with separate authority and different objectives. They are a) the Office of the State Treasurer; b) the State Investment Council; c) the Public Employee and Educational Employee Retirement Plans; d) the State universities and colleges; e) Education Trust Board; and f) State agencies with separately held investments. In addition, the component units also report separately held investments.

Those agencies whose investments are held by either the State Investment Council (SIC) or the State Treasurer's Local Government Investment pool (LGIP) are presented in either the SIC or LGIP disclosures, in order to prevent duplication.

NOTE 3 INVESTMENTS (CONTINUED)

A. State Treasurer

The State Treasurer operates four separate investment pools. They are as follows:

General Fund Investment Pool

The General Fund is the State of New Mexico's main operating account. All State revenues are credited to the State General Fund. Income taxes, sales taxes, rents and royalties, and other recurring revenues are deposited into the fund. The fund also comprises numerous State agency accounts whose assets, by statute, must be held at the State Treasury. Expenditures are disbursed only in accordance with appropriations authorized by the State Legislature.

Consolidated Investment Pool (Tax-Exempt Bond Proceeds Investment Pool #1)

The Tax-Exempt Bond Proceeds Investment Pool is comprised of pooled assets received through the issuance of tax- exempt State of New Mexico general obligation, severance tax, and supplemental severance tax bonds. The fund's objective is to preserve capital, provide liquidity, and generate returns relative to the true interest cost of all State of New Mexico debt outstanding and in accordance with the Investment Policy of the Office of the State Treasurer.

Consolidated Investment Pool (Taxable Bond Proceeds Investment Pool #2)

The Taxable Bond Proceeds Investment Pool is comprised of pooled assets received through the issuance of State of New Mexico severance tax bonds. The fund's objective is to preserve capital, provide liquidity, and generate returns relative to a benchmark and in accordance with the State Treasurer's Investment Policy.

Local Government Investment Pool (LGIP; Short-Term Investment Pool)

Cities, counties, and other state agencies invest monies in the State Treasurer external investment pool (LGIP). The LGIP investments are presented at fair value based on the valuation date in the financial statements. The individual participant balances remain at their amortized cost. As of June 30, 2024, LGIP amortized cost approximated fair value, with the difference deemed immaterial.

NOTE 3 INVESTMENTS (CONTINUED)

A. State Treasurer (Continued)

Local Government Investment Pool (LGIP; Short-Term Investment Pool) (Continued)

The LGIP is not SEC registered. Chapter 6-10-10.1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies, and are either direct obligations of the United States or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and adhere to the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the LGIP is voluntary. As of June 30, 2024, the WAM(R) of the LGIP was 30 days, and the WAM(F) was 39 days. The fund was rated AAAm by Standard & Poor's as of June 30, 2024.

Investment Guidelines and Limitations

The Investment Policy is a comprehensive guide governing the investment functions of the New Mexico State Treasurer with respect to all financial assets of the State of New Mexico invested by the State Treasurer in the exercise of their authority and for which the State Treasurer acts as the investing authority. These assets include, as examples only, the State General Fund, the LGIP, bond proceeds, bond debt service funds, and those pension and permanent funds and other special funds with respect to which the State Treasurer is the investing authority.

The investment policy and the public finance investment decisions of the State Treasurer must serve and satisfy several fiduciary, fiscal, and financial obligations. In making these decisions and in resolving any conflict or competing considerations that may arise from time to time among these obligations, the State Treasurer will observe the following priority:

- Preservation of Principal – to ensure the performance of basic governmental functions, the first priority must be accorded to the preservation and protection of the principal of the funds to be invested;
- Maintenance of Liquidity – the second level of priority must be accorded to maintaining sufficient liquidity to satisfy the reasonable anticipated, continuing operational requirements of State Government; and
- Maximum Return – the third priority must be accorded to maximizing investment return, through budgetary and economic cycles, consistent with the higher priority accorded to the security and liquidity of principal.

NOTE 3 INVESTMENTS (CONTINUED)

B. State Investment Council

The State of New Mexico Investment Council (the Council) is responsible for the investment activities of certain State trust funds. The Council is composed of 11-members, and currently manages the Land Grant, Severance Tax, and Tobacco Settlement Permanent Funds, the Water Trust Fund, and various investment pools for the benefit of state agencies and other political entities within the State of New Mexico.

In accordance with Chapter 6-8, NMSA 1978, the Council is authorized to invest in domestic and international stocks, debt obligations of the U.S. government, its agencies, or instrumentalities, debt obligations of any U.S. or foreign corporation, partnerships, or trusts with an investment-grade rating from a national rating service, real estate investments, national private equity investments, repurchase agreements secured by U.S. obligations or other securities backed by the U.S., and hedge funds.

C. Pension Benefits Funds

The two pension benefits agencies are the Public Employees Retirement Association of New Mexico (PERA) and the Educational Retirement Board (ERB). PERA operates four separate cost-sharing, multiemployer public employee retirement systems, and ERB operates one such system for the benefit of state employees and educational employees, respectively, in the State. More information on each of these agencies can be found elsewhere in these Notes. Each is governed by a separate Board, and each has specific investment policies and guidelines to which they must adhere.

D. State Universities and Colleges

As mentioned in Note 1. B, the 10 educational institutions created by the *Constitution of the State of New Mexico* are included in the State reporting entity. Eight of these institutions maintain separate investment portfolios, as permitted by statute, with some of the investments held and managed by State agencies and some managed by the institutions themselves. Each has investment policies and guidelines which are similar.

E. Education Trust Board

The Education Trust Board (ETB) is responsible for the management of the two higher education savings plans: Scholar's Edge, and The Education Plan (the Plans). The Plans are savings vehicles for higher education expenses under Section 529 of the IRC. The funds are managed by a private company under contract agreement.

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies

Those agencies with investments in either the State Investment Council Investment Pools or the State Treasurer's Local Government Investment Pool report these investments on their balance sheet. Certain agencies are permitted to invest funds in other ways, such as certificates of deposit. These investments are permitted by statute, depending on the main purpose of the agency.

1. Fair Value Measurement

The State categorizes fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 – inputs are quoted prices (unadjusted) for identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

Level 3 – inputs are unobservable inputs for an asset.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers but the State considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

1. Fair Value Measurement (Continued)

State of New Mexico
Fair Value of Investments
(Expressed in Thousands)

Investment	Fair Value June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs Level 3)
Investments by Fair Value Level:				
Equity Securities:				
Equities	$ 19,971,793	$ 19,936,384	$ 439	$ 34,970
Domestic Equity	3,632,664	3,632,142	522	-
U.S. Common and Preferred Stock	3,093,151	3,093,149	-	2
Repurchase Agreements	1,854,100	-	1,854,100	-
International Equity	1,582,545	1,582,545	-	-
Mutual Funds	1,396,005	1,360,478	35,527	-
Pooled Funds - Mutual Funds	1,154,226	-	1,154,226	-
Securities Lending Collateral Investments	565,986	-	565,986	-
Supranationals	501,585	-	501,585	-
Foreign Stocks	52,118	52,118	-	-
Foreign Issues	43,634	-	43,634	-
Public REIT	34,547	1,348	33,199	-
Real Estate Holdings	17,021	15,973	-	1,048
Self-Directed Brokerage Accounts	12,500	12,500	-	-
Money Market Mutual Funds	121	121	-	-
Corporate Stocks	4,984	4,984	-	-
Exchange-Traded Funds	3,783	3,783	-	-
Common Stocks	3,579	3,579	-	-
Short-Term Securities	2,679	-	2,679	-
Other Investments	1,283	1,283	-	-
Nonredeemable Securities	74	-	-	74
Total Equity Securities	33,928,378	29,700,387	4,191,897	36,094
Debt Securities:				
U.S. Government Bonds	8,221,075	-	8,221,075	-
Corporate Bonds	7,009,039	2,118	7,006,921	-
U.S. Treasury Securities	5,332,217	206,755	5,125,462	-
Core Fixed Income	3,333,254	806,554	2,526,700	-
Asset-Backed Securities	1,929,392	-	1,870,054	59,338
Discounted Notes and Treasury Bills - Zero Coupon	984,057	-	984,057	-
Commercial Paper	890,279	-	890,279	-
Fixed Income	842,117	842,117	-	-
Bank Loans	633,653	-	633,653	-
Collateralized Debt Obligation	607,637	-	607,637	-
U.S. Government Obligations	572,805	572,805	-	-
Demand Notes	540,630	-	540,630	-
Agency Securities (GSEs)	359,531	989	85,513	273,029
U.S. Corporate Obligations	227,096	-	227,096	-
U.S. Agency Obligations	197,406	-	197,406	-
Government Bonds	183,184	-	183,184	-
Foreign Obligations	81,756	-	46,249	35,507
Global Fixed Income	73,461	-	73,461	-
Municipal Bonds	64,431	-	64,431	-
Certificate of Deposit	18,724	18,724	-	-
U.S. Government Agencies	4,573	4,573	-	-
Corporate Stocks and bonds	4,232	4,232	-	-
Domestic Corporate Bonds	4,015	-	4,015	-
Sovereign Debt	2,181	-	2,181	-
Corporate Debt Securities	650	650	-	-
Total Debt Securities	32,117,395	2,459,517	29,290,004	367,874

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

1. Fair Value Measurement (Continued)

Investment	Fair Value June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs Level 3)
Investments by Fair Value Level (Continued):				
Alternative Investments:				
Master Limited Partnerships	$ 256,213	$ 256,213	$ -	$ -
Total Alternative Investments	256,213	256,213	-	-
Investments in Derivative Instruments:				
Credit Derivatives	11,045	-	11,045	-
Fixed Income Derivatives	3,197	1,509	1,688	-
Equity Derivatives	1,212	1,212	-	-
Interest Rate Derivatives	497	3,157	(2,660)	-
Other Derivatives	379	-	379	-
Currency Derivatives	(1)	(1)	-	-
Total Derivative Instruments	16,329	5,877	10,452	-
Total Investments Measured at Fair Value	66,318,315	$ 32,421,994	$ 33,492,353	$ 403,968

Investment	Fair Value June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at Net Asset Value (NAV):				
Private Equity Partnerships	6,893,830	$ 4,312,319	Not Redeemable	Not Redeemable
Private Equity Funds	5,055,499	2,137,030	N/A	N/A
Private Debt Partnerships	4,388,201	3,403,910	Quarterly	90 to 180 Days
	414,956	-	Not Redeemable	Not Redeemable
Real Asset Partnerships	3,610,486	2,667,411	Not Redeemable	Not Redeemable
Private Real Assets	3,252,496	1,527,252	N/A	N/A
Opportunistic Credit Funds	2,879,870	770,101	Daily, Monthly, Quarterly, Semi-Annual	30 to 180 Days
Real Estate Partnerships	2,711,599	3,487,737	Not Redeemable	Not Redeemable
Open-Ended Real Estate Partnerships	2,159,418	2,296	Quarterly	45 to 90 Days
Comingled International Equity Funds	1,529,431	-	Daily, Monthly	5 to 15 Days
	289,878	-	Monthly	30 Days
Limited Partnership	1,017,045	77,401	Daily	10 to 12 Days
	285	4	None	None
Open-Ended Real Asset Partnership	873,460	-	Quarterly-Biannual	90 to 180 Days
Absolute Return Pool	761,808	-	N/A	N/A
Regional Private Equity Partnerships	406,196	467,095	Not Redeemable	Not Redeemable
Comingled Global Asset Allocation	282,671	-	Monthly, Quarterly,	30 to 120 Days
Guaranteed Investment Contracts	263,519	-	Daily	Daily
LifeCycle Funds	247,523	-	(Blank)	(Blank)
Private Investment Funds	60,814	34,436	Not Redeemable	Not Redeemable
Limited Partnerships - Global Equity	39,022	-	Monthly	16 Days
Limited Partnerships - Opportunistic Credit	22,310	-	Monthly	15 Days
Alternative Investments	15,670	-	Monthly/Quarterly/ Annually/Rolling 2 Years	3 to 90 Days

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

1. Fair Value Measurement (Continued)

Investment	Fair Value June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at Net Asset Value (NAV) (Continued):				
Absolute Return (Hedge) Funds	$ 15,337	$ -	Quarterly	30 to 65 Days
Real Asset Funds	6,441	3,338	Not redeemable	Not Redeemable
Hedge Fund Investments - Equity Long/Short	5,421	774	Monthly	30 Days
Limited Partnerships - Private Markets	5,396	6,998	None	None
Real Estate Funds	5,216	2,382	Not redeemable	Not Redeemable
Hedge Fund Investments - Multi-Strategy	3,432	267	Monthly	30 Days
Limited Partnerships - Private Credit	2,877	3,520	None	None
Equities	826	-	Monthly	15 Days
Investments Measured at NAV	37,220,933	$ 12,454,922		
Investments Measured at Amortized Cost:				
Flexible Repurchase Agreements	56,037			
Money Market Mutual Funds	50,601			
Commercial Paper	2,474			
STO - LGIP	20			
Investments at Amortized Cost	109,132			
Investments Measured at Contract Value:				
Stable Value Options (Def. Comp.)	120,489			
Guaranteed Investment Account	123,499			
Investments at Contract Value	243,988			
Other Investments:				
New Mexico Private Equity	16,338			
Lovelace Hospital	12,820			
Other Investments	6,101			
Money Market Mutual Funds	5,132			
Limited Partnership	1,329			
Escrow Accounts	1,006			
Total Other Investments	42,726			
Total Separately-Held Investments	$ 103,935,094			

2. Custodial Credit Risk

Custodial credit risk is the risk that the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the State (or State agency), and are held by either the counterparty or the counterparty's trust department or agent but not in the State's (or State Agency's) name.

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

2. Custodial Credit Risk (Continued)

The State Treasurer's investment policy for safekeeping and custody states that all investment securities purchased by the State, held as collateral on repurchase agreements or held as collateral on securities lending arrangements, shall be held in third-party safekeeping at a fiduciary qualified to act in this capacity. All securities held for the State account will be held free and clear of any lien and all transactions will be conducted in compliance with Chapter 6-10-10(O), NMSA 1978, which requires contemporaneous transfer and same day settlement. On a monthly basis, the custodian will provide reports, which list all transactions that occurred during the month, and all securities held for the State at month-end, including the book and market value of holdings. The fiscal agent and representatives of the custodian responsible for, or in any manner involved with, the safekeeping and custody process of the State, shall be bonded in such a fashion as to protect from losses from malfeasance and misfeasance. All investment and collateral securities were held by the State Treasurer or its Custodian in the name of the State Treasurer.

Public Employees Retirement Association (PERA's) securities are held by a third-party custodian, independent of any counterparty. The Custodian holds assets directly, through its agents, its sub-custodians, or designated clearing systems, and is responsible for delivery, receipt, pricing, valuation, and record-keeping services for all securities. PERA reports securities valued at $8.7 billion as held in the name of the investment fund by the fund's custodian bank, and $8.5 billion held under custody arrangements contracted by fund managers.

Education Retirement Board (ERB's) securities are held by a financial institution as a third-party custodian, independent of any counterparty, and are held in the name of ERB. All investments of the State Investment Council (SIC) are held in the name of SIC. All investments of the Retiree Health Care Authority (RHC) are held by SIC. All investments of the Education Trust Board (ETB) are held in the name of that Board.

The University of New Mexico reports that the primary institution had no exposure to custodial credit risk at June 30, 2024. Its discretely presented component units had exposure for a total of $9.0 million. All of the other schools reported no exposure to custodial credit risk.

3. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. obligations or investments guaranteed by the U.S. Government are excluded from this requirement. The quality rating of PERA's investment policy restricts investments to specific investment ratings issued by nationally recognized statistical rating organizations.

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

3. Credit Risk (Continued)

ERB requires that noncash, interest-paying securities in the high-yield bond portfolios may not exceed 5% of the market value of the portfolio and that investments in cash may represent no more than 5% of each individual fund. Credit risk is managed through diversification and by operating within defined parameters versus a benchmark index.

ETB invests directly in Underlying Investments. The registered Underlying Investments' prospectuses provide greater detail about the investment strategies and practices of the Underlying Investments, in compliance with federal regulations and specifically, the Form N-IA of the Investment Company Act of 1940. Form N-IA discloses information and policies about the Underlying Fund and its investment objectives, as well as information on the company structure and operations. In addition, the Program Disclosure Statement and the Participation Agreement provide greater detail about the credit risk, if any, by certain nonregistered underlying Investments.

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

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

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

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

3. Credit Risk (Continued)

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

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Corporate Bonds	AAA	$ 122,096
	AA+	384,184
	Aa1	70,821
	AA	160,476
	Aa2	7,653
	AA-	306,338
	Aa3	3,756
	A+	651,344
	A1	32,776
	A-1	26,965
	A	789,125
	A2	14,585
	A-	568,166
	A3	15,855
	Baa1	15,078
	BBB+	588,287
	Baa2	15,383
	BBB	821,120
	Baa3	4,331
	BBB-	550,712
	BB+	655,195
	Ba1	1,009
	BB	715,724
	BB-	857,463
	B+	551,360
	B	541,664
	B-	404,107
	CCC+	160,071
	CCC	92,408
	CCC-	15,407
	D	4,735
	Not Rated	101,405
Agency Securities (GSEs)	AA+	2,701,010

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

3. Credit Risk (Continued)

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

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Asset-Backed Securities	AAA	$ 149,123
	AA+	1,342,551
	AA	33,550
	AA-	101,256
	A+	18,296
	A	75,177
	A-	3,592
	BBB+	14,346
	BBB	28,948
	BBB-	9,233
	BB+	2,092
	BB	878
	BB-	544
	B+	44
	B-	1,552
	CCC	1,882
	CC	312
	D	81
	Not Rated	532,252
Commercial Paper	AAA	99,359
	AA+	315,973
	AA-	116,768
	A+	59,999
	A-1	101,588
	A-1+	111,786
	A	84,807
	Not Rated	825,831
Discounted Notes	AAA	164,443
	AA+	569,124
	A-1+	250,490
	Not Rated	3,689
U.S. Government Bonds	AA+	822,314

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

3. Credit Risk (Continued)

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

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Collateralized Debt Obligation	AAA	$ 184,812
	AA	28,445
	A	5,206
	BBB	12,411
	BBB-	50,684
	Not Rated	326,078
U.S. Government Obligations	AAA	548,964
	AA+	20,290
	AA	2,619
	Not Rated	931
Demand Notes	AAA	33,650
	AA+	6,740
	Aa1	60,325
	A-1	69,145
	A-1+	370,770
CMO/REMIC	AAA	2,126
	AA+	229,362
	AA-	48
	A	169
	A-	6,306
	BBB+	4,807
	BBB	2,690
	BBB-	837
	BB+	4,042
	BB	1,103
	B+	208
	B	918
	B-	54
	CCC	134
	D	35
	Not Rated	52,994
U.S. Treasury Securities	AA+	216,442
Treasury Bills	A-1+	162,548
	B	14,328
U.S. Agency Obligations	AA+	98,284

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

3. Credit Risk (Continued)

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

Investment	Rating	Fair Value
Investments Subject to Credit Risk - S&P Ratings (Continued):		
Municipal Bonds	AAA	$ 8,834
	AA+	26,509
	AA	21,126
	AA-	6,127
	Aa3	7,447
	A1	921
	A	423
	A-	342
	Not Rated	1,078
Non-US Government Bonds	A	19
	AAA	30,284
	AA+	936
	AA	3,100
	AA-	1,316
	A+	5,783
	A	1,988
	A-	1,607
	BBB+	3,255
	BBB	8,531
	BBB-	1,504
	Not Rated	575
Certificate of Deposit	Not Rated	18,724
U.S. Government Agencies	Not Rated	4,573
Corporate Debt Securities	BBB-	650
Total Subject to Risk - S & P Ratings		30,881,234
Total Investments Subject to Credit Risk		30,881,234
Investments Not Subject to Credit Risk		71,817,699
Add: Education Trust Board Investments (Presented in Separate Note)		790,781
Information Not Available		445,380
Total Separately-Held Investments		$ 103,935,094

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

3. Credit Risk (Continued)

The credit ratings for the Education Trust Board are shown separately as follows:

New Mexico Education Trust Board
Quality Rating of Investments
June 30, 2024

Scholar's Edge Plan

Portfolio/Rating	AAA	AA	A	BBB	BB
iShares Core U.S. Aggregate Bond ETF	20.10 %	23.40 %	33.20 %	15.20 %	0.00 %
MainStay MacKay High Yield Corp. Class R-6	0.00	0.10	0.00	9.50	52.90
Principal Core Fixed Income Fund Class R-6	51.10	1.90	19.90	26.30	0.60
Principal Short-Term Income Fund Inst. Class	42.80	2.80	17.00	28.50	1.40
Vanguard Total Int'l. Bond Index Fund ETF	25.00	27.20	27.00	18.40	0.00

Portfolio/Rating	B	Below B	Not Rated	Total
iShares Core U.S. Aggregate Bond ETF	0.00 %	0.00 %	8.10 %	100.00 %
MainStay MacKay High Yield Corp. Class R-6	31.30	4.70	1.50	100.00
Principal Core Fixed Income Fund Class R-6	0.20	0.00	0.00	100.00
Principal Short-Term Income Fund Inst. Class	0.00	0.00	7.50	100.00
Vanguard Total Int'l. Bond Index Fund ETF	0.00	1.90	0.50	100.00

The Education Plan

Portfolio/Rating	AAA	AA	A	BBB	BB
DFA Inflation-Protected Securities - Inst. Class	0.00 %	100.00 %	0.00 %	0.00 %	0.00 %
iShares Core Int'l. Aggregate Bond ETF	20.10	23.40	33.20	15.20	0.00
Nuveen Core Plus Bond R-6	3.80	41.70	11.50	24.20	10.40
Vanguard Short-Term Inflation-Prot. Sec. Index Inst.	100.00	0.00	0.00	0.00	0.00
Vanguard Short-Term Treasury Index Inst.	100.00	0.00	0.00	0.00	0.00
Vanguard Total Bond Market	71.50	3.00	12.50	13.00	0.00
Vanguard Untra Short-Term Bond - Adm	26.70	4.80	36.70	30.60	0.20
Vanguard High Yield Corp. ADM	5.10	2.10	0.20	4.50	51.40
PGIM Global Total Return Class R-6	21.70	10.60	18.40	32.20	10.20

Portfolio/Rating	B	Below B	Not Rated	Total
DFA Inflation-Protected Securities - Inst. Class	0.00 %	0.00 %	0.00 %	100.00 %
iShares Core Int'l. Aggregate Bond ETF	0.00	0.00	8.10	100.00
Nuveen Core Plus Bond R-6	5.20	0.40	2.80	100.00
Vanguard Short-Term Inflation-Prot. Sec. Index Inst.	0.00	0.00	0.00	100.00
Vanguard Short-Term Treasury Index Inst.	0.00	0.00	0.00	100.00
Vanguard Total Bond Market	0.00	0.00	0.00	100.00
Vanguard Untra Short-Term Bond - Adm	0.00	0.10	0.90	100.00
Vanguard High Yield Corp. ADM	31.00	4.90	0.80	100.00
PGIM Global Total Return Class R-6	2.40	1.30	3.20	100.00

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

4. Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. It is the policy of the State to diversify its investments portfolios. Assets shall be diversified to reduce the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At June 30, 2024, there were no holdings with a single issuer comprising 5% or more of total net investments. It should be noted that investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

5. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Investment managers attempt to match investments with anticipated cash requirements so as to lessen this risk.

PERA's interest rate risk is controlled by the duration guidelines provided in the Investment Guidelines for each fixed income manager. Duration is loosely defined as the dollar weighted average time to recover all of principal and fixed- income investment. PERA's fixed-income managers are typically limited to duration of plus or minus one year or 20% of the duration of the applicable portfolio benchmark. ERB does not have a policy for interest rate risk management. However, interest rate risk is managed through duration by operating within defined risk parameters versus a benchmark index.

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

5. Interest Rate Risk (Continued)

The maturities on investments for the Education Trust Board are shown separately as follows:

State of New Mexico
Maturities on Investments
(Expressed in Thousands)

Investment	Fair Value	Total < 1 Year	1-5 Years	6-10 Years	> 10 Years	Life Not Avail.
Investments Subject to Interest Rate Risk:						
Corporate Bonds	$ 10,040,457	$ 1,398,132	$ 4,861,365	$ 3,273,800	$ 507,160	$ -
U.S. Government Bonds	8,861,065	2,971,314	5,050,854	822,314	16,583	-
Government Bonds	5,096,889	60,907	2,800,460	1,083,930	1,151,592	-
Asset-Backed Securities	2,380,142	164,160	643,054	234,718	1,338,210	-
Discounted Notes	1,007,890	967,931	39,959	-	-	-
Commercial Paper	892,752	852,823	39,929	-	-	-
Collateralized Debt Obligation	607,637	592,832	-	-	14,805	-
U.S. Government Obligations	572,805	51,572	394,069	61,953	65,211	-
Demand Notes	540,630	-	540,630	-	-	-
CMO/REMIC	241,399	160,940	22,691	11,450	46,318	-
U.S. Treasury Securities	410,413	70,779	147,965	191,669	-	-
Treasury Bills	176,877	176,877	-	-	-	-
U.S. Agency Obligations	85,513	24,178	61,335	-	-	-
Municipal Bonds	68,997	13,082	39,808	-	16,107	-
Non-U.S. Government Bonds	58,877	-	-	58,877	-	-
Certificate of Deposit	12,343	3,805	7,546	992	-	-
U.S. Government Agencies	4,573	4,573	-	-	-	-
Domestic Corportate Bonds	4,015	1,991	2,024	-	-	-
Agency Securities (GSEs)	989	-	989	-	-	-
U.S. Government and Corporate Debt Securities	649	57	219	284	89	-
Discounted Notes and Treasury Bills - Zero Coupon	-	-	-	-	-	-
International Government Obligations	25,618	-	-	25,618	-	-
Total Investments Subject to Interest Rate Risk	31,090,530	$ 7,515,953	$ 14,652,897	$ 5,765,605	$ 3,156,075	$ -
Investments Not Subject to Interest Rate Risk	71,817,699					
Information Not Available	236,084					
Add: Education Trust Board (Presented in Separate Note)	790,781					
Total Separately-Held Investments	$ 103,935,094					

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

5. Interest Rate Risk (Continued)

The maturities on investments for the Education Trust Board are shown separately as follows:

New Mexico Education Trust Board
Maturities on Investments

Investment	< 1 Year	1-5 Years	6-10 Years	Fair Value (In Thousands)
The Scholar's Edge:				
Vanguard Total Int'l. Bond Index Fund ETF	-	-	7.24	$ 1,058
iShares Core U.S. Aggregate Bond ETF	-	-	5.99	91,728
Principal Core Fixed Income Fund Class R-6	-	-	5.99	377,722
MainStay MacKay High Yield Corp. Class R-6	-	2.68	-	4,717
Principal Short-term Income Fund Inst. Class	-	2.04	-	162,057
The Education Plan:				
DFA Inflation-Protected Securities - Inst. Class	-	-	6.67	27,136
PGIM Global Total Return Fund Class R-6	-	-	6.45	1,582
Nuveen Core Plus Bond R-6	-	-	6.23	7,487
iShares Core International Aggregate Bond ETF	-	-	6.79	18,738
Vanguard Total Bond Market	-	-	5.97	12,382
Vanguard High-Yield Corporate Fund ADM	-	3.03	-	25,730
Vanguard Short-term Inflation-Prot. Sec. Index Inst.	-	2.51	-	6,363
Vanguard Short-term Treasury Index Inst. Class	-	1.87	-	54,088
Vanguard Ultra Short-term Bond Adm	0.93	-	-	1,051

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

6. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Exposure to foreign currency risk at June 30, 2024 was as follows:

State of New Mexico
Foreign Currency Risk
International Investment Securities at Fair Value
(Expressed in Thousands)

Foreign Currency	Equity	Fixed Income	Vent. Cap., Pref. Stk., Rts., REITs, Ptshps., Wrnts.	Derivatives	Total Investments	Cash and Cash Equivalents
Argentine Peso	$ -	$ -	$ -	$ -	$ -	$ 1
Australian Dollar	348,755	85	-	28	348,868	394
Botswana Pula	30	-	-	-	30	4
Brazilian Real	166,637	14,328	-	528	181,493	718
British Pound Sterling	1,034,815	20,999	90,702	103	1,146,619	11,427
Canadian Dollar	533,462	-	-	65	533,527	1,208
Chilean Peso	7,329	-	-	-	7,329	231
Chinese Yuan Renminbi	118,268	-	-	(26)	118,242	608
Colombian Peso	204	-	-	-	204	23
Czech Koruna	412	-	-	-	412	27
Danish Krone	212,760	247	-	-	213,007	368
Egyptian Pound	67	-	-	-	67	3
Euro	2,519,562	47,665	1,217,777	734	3,785,738	48,649
Ghanian Cedi	60	-	-	-	60	-
Hong Kong Dollar	612,489	-	-	(7)	612,482	2,659
Hungarian Forint	3,247	-	-	-	3,247	144
Indian Rupee	55,864	-	-	1	55,865	694
Indonesian Rupiah	42,681	-	-	(29)	42,652	219
Israeli Shekel	37,692	-	-	-	37,692	314
Japanese Yen	1,732,893	144	-	51	1,733,088	10,132
Kenyan Shilling	4	-	-	-	4	-
Kuwaiti Dinar	2,102	-	-	-	2,102	89
Malaysian Ringgit	37,868	-	-	-	37,868	212
Mexican Peso	79,774	1,732	-	(157)	81,349	81
New Taiwan Dollar	547,341	-	-	-	547,341	1,045
New Turkish Lira	26,350	-	-	139	26,489	42
New Zealand Dollar	15,791	-	-	-	15,791	171
Norwegian Krone	88,573	-	-	(2)	88,571	953
Peruvian Nuevo Sol	-	1,230	-	18	1,248	166
Philippine Peso	5,996	-	-	-	5,996	55
Polish Zloty	23,622	-	-	-	23,622	82
Qatari Riyal	9,858	-	-	-	9,858	95
Russian Ruble	9	-	-	-	9	100
Saudi Riyal	56,585	-	-	-	56,585	200
Singapore Dollar	119,524	-	-	-	119,524	429
South African Rand	59,706	-	-	(4)	59,702	200
South Korean Won	376,240	-	-	-	376,240	638
Swedish Krona	221,211	-	-	-	221,211	1,492
Swiss Franc	652,263	-	-	-	652,263	603
Thai Baht	68,292	-	-	-	68,292	185
Tunisian Dinar	2	-	-	-	2	-
UAE Dirham	14,373	-	-	-	14,373	194
Subtotal	$ 9,832,711	$ 86,430	$ 1,308,479	$ 1,442	11,229,062	84,855
Total Investments and Cash and Cash Equivalents Subject to Foreign Currenty Risk					11,229,062	$ 84,855
Investments Not Subject to Foreign Currency Risk					92,706,032	
Total Separately-Held Investments					$ 103,935,094	

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

7. Securities Lending

The State Public Employee Retirement Association (PERA) participates in a securities lending program as authorized by State statute and its Board policies. Both the State Investment Council and the Educational Retirement Board have terminated their lending programs.

The types of securities lent are U.S. treasury notes and bonds, U.S. and international equity securities, and corporate bonds and notes. Under this program, securities are transferred to an independent broker-dealer or other lending agent in exchange for collateral in the form of cash, government securities, and/or irrevocable bank letters of credit, with a simultaneous agreement to return the collateral for the same securities in the future. The collateral must equal at least 102% of the market value of the securities.

Per Board policy, PERA may invest the cash collateral in eligible securities or other investments as defined in the governing securities lending agreement. The duration of investments so made does not generally match the maturities of securities loaned. Securities received as collateral may not be pledged or sold without borrower default.

Total securities on loan at June 30, 2024, had a carrying amount and fair value of $581.8 million. Under the agreement, the lending agent is required to indemnify the entity if the borrower fails to return the securities, if collateral is inadequate to replace the securities lent, or if the counterparty fails to pay the entity for income distributions by the securities' issuers while the securities are on loan. There were no such losses during the year ended June 30, 2024, due to borrower default.

The fair value of investments made with cash collateral is reported as an asset; the fair value of collateral received is recorded as a liability as PERA must return the cash collateral to the borrower upon the expiration of the loan. The securities lending obligations were $565.9 million at June 30, 2024. Total cash and noncash collateral was $601.6 million, 103% of the fair value of the securities on loan.

As of June 30, 2024, there had been no losses resulting from borrower defaults and PERA had no credit risk exposure to borrowers because the amounts PERA owed to borrowers did not exceed the amounts the borrowers owed to PERA. Net earnings from the securities lending program totaled $4.1 million for the fiscal year.

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

8. Derivatives

Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. The State's retirement funds' investment policies allow certain portfolio managers to trade in certain derivatives for hedging purposes.

The notional or contractual amounts of derivatives indicate the extent of the State's involvement in the various types and uses of derivative financial instruments and do not measure the State's exposure to credit or market risks, and they do not necessarily represent amounts exchanged by the parties. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivatives.

The fair value balances and notional amounts of derivative instruments outstanding for PERA and ERB at June 30, 2024, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the financial statements are as follows:

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

Derivative Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Futures Contracts:				
Currency Futures	$ (25)	$ -	$ 6,003	$ 6,002
Equity Index Futures	(3,888)	1,093	312,916	314,010
Bond Index Futures	6,881	1,509	205,808	207,317
Swap Contracts:				
Return Swaps (Equity)	$ (1,884)	$ -	$ -	$ -
Cleared Credit Default Swaps	(5,438)	1,688	-	-

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

Derivative Type	Balance at June 30, 2024
Commodity Futures	$ 3,641
Commodity Futures - Short	(1)
Futures Contracts	38,700
Index Futures	223

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

8. Derivatives (Continued)

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

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

Types of Derivative Instruments:

Risk

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

Futures Contracts

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

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

8. Derivatives (Continued)

Types of Derivatives Instruments (Continued)

Options

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

Swap Contracts

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

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

8. Derivatives (Continued)

Types of Derivatives Instruments (Continued)

Hedge Funds

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

Asset-Backed Securities

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

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

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

9. Discretely Presented Component Units

Fair Value

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

State of New Mexico
Discretely Presented Component Units
Fair Value of Investments
(Expressed in Thousands)

Investment	Fair Value June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities:				
Mutual Funds	$ 395,642	$ 340,839	$ 54,803	$ -
Money Market Mutual Funds	185,701	185,701	-	-
Equities	28,805	28,805	-	-
Beneficial Interest in Trust	20,480	-	20,480	-
Real Estate Holdings	3,202	-	-	3,202
Real Asset Funds	2,878	773	2,105	-
Private Debt Partnerships	1,997	-	-	1,997
Limited Partnership	1,753	-	-	1,753
Other Investments	906	-	906	-
Exchange-Traded Funds	913	913	-	-
Life Insurance Contracts	495	-	495	-
Endowment investment - ACF	-	-	-	-
Endowment investment - CFSNM	-	-	-	-
Real Estate Funds	40	40	-	-
Total Equity Securities	642,812	557,071	78,789	6,952
Debt Securities:				
Securitized Mortgage Loans	1,771,177	1,771,177	-	-
U.S. Treasury Notes	750,251	750,251	-	-
U.S. Government Bonds	32,637	-	32,637	-
Agency Securities (GSEs)	29,465	28,202	1,263	-
U.S. Government Agencies	14,872	14,872	-	-
U.S. Treasury Securities	8,555	8,555	-	-
Corporate Bonds	7,082	6,534	548	-
U.S. Agency Obligations	3,976	3,976	-	-
Fixed Income	1,044	1,044	-	-
Asset-Backed Securities	972	-	972	-
Certificate of Deposit	487	-	487	-
U.S. Corporate Obligations	443	425	18	-
Total Debt Securities	2,620,961	2,585,036	35,925	-
Total Investments Measured At Fair Value	3,263,773	$ 3,142,107	$ 114,714	$ 6,952

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

9. Discretely Presented Component Units (Continued)

Fair Value (Continued)

Investment	Fair Value June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at Net Asset Value (NAV):				
Alternative Investments	$ 23,406	$ -	Monthly/Quarterly/ Annually/Rolling 2 Years	2 to 90 Days
Hedge Fund Investments - Equity Long/Short	15,384	2,196	Monthly	16 Days
Hedge Fund Investments - Multi-Strategy	9,629	750	Monthly	30 Days
Limited Partnership	1,983	-	6/30 and 12/31	65 days
	1,947	-	Daily	Daily
	7,530	-	Monthly	30 Days
	1,439	-		60 days
	2,010	-		90 days
	12,002	6,254	Not Redeemable	Not Redeemable
	2,738	-	Quarterly	45 days
	866	-	Rolling Annually on Anniversary	95 days
	1,973	-	Three Series of Shares	60 days
	4,008	-	Weekly	5 days
	621	9	None	None
	3,196	-	After Lockup, Quarterly Within 45 Days Notice	45 days
	1,844	-	After Lockup, Quarterly Within 75 Days Notice	75 days
Limited Partnerships - Global Equity	119,670	-	Monthly	16 Days
Limited Partnerships - Opportunistic Credit	73,707	-	Monthly	15 Days
Limited Partnerships - Private Credit	8,791	10,754	None	None
Limited Partnerships - Private Markets	18,775	23,657	None	None
Private Investment Funds	84,256	47,555	Not Redeemable	Not Redeemable
Real Asset Funds	9,556	4,610	Not Redeemable	Not Redeemable
Real Estate Funds	7,395	3,290	Not Redeemable	Not Redeemable
Wellington Research Equity	11,691	-	Monthly	30 Days
Total Investments Measured at NAV	424,417			
Investments Measured at Amortized Cost:				
Money Market Funds in Endowment Pools	11,601			
Total Investments, Discretely-Presented Components	$ 3,699,791			

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

9. Discretely Presented Component Units (Continued)

Credit Risk

The investments of the discretely presented component units were subject to credit risk as follows:

State of New Mexico
Discretely Presented Component Units
Quality Ratings
(Expressed in Thousands)

Investment Type	Rating	Value
Investments Subject to Credit Risk - S&P Ratings:		
Securitized Mortgage Loans	Gov't. Guar.	$ 1,095,078
	AA	218,952
Agency Securities (GSEs)	AAA	20,427
	AA+	2,033
Certificates of Deposits	Not Rated	13,844
U.S. Treasury Securities	AA+	8,852
	Not Rated	560
U.S. Government Agencies	AA+	6,781
Asset-Backed Securities	AAA	14
	Not Rated	766
Corporate Bonds	AA+	13
	AA	21
	A+	21
	A-	130
	BBB+	163
	BBB	104
U.S. Corporate Obligations	AAA	287
	Not Rated	34
Total Subject to Risk - S & P Ratings		1,368,080
Total Subject to Credit Risk		1,368,080
Total Not Subject to Credit Risk		1,078,830
Information Not Available		1,252,881
Total Investments, Discretely Presented Components		$ 3,699,791

NOTE 3 INVESTMENTS (CONTINUED)

F. Individual State Agencies (Continued)

9. Discretely Presented Component Units (Continued)

Interest Rate Risk

The investments of the discretely presented component units were exposed to interest rate risk as follows:

State of New Mexico
Discretely Presented Component Units
Maturities on Investments
(Expressed in Thousands)

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years	Life Not Available
Investments Subject to Interest Rate Risk:						
Securitized Mortgage Loans	$ 1,771,177	$ 76	$ 1,755	$ 6,184	$ 1,306,015	$ 457,147
U.S. Treasury Notes	750,251	-	560,712	-	-	189,539
U.S. Government Bonds	32,637	21,342	1,118	-	-	10,177
Agency Securities (GSEs)	29,465	9,678	5,449	-	-	14,338
U.S. Government Agencies	14,872	14,534	-	-	-	338
Corporate Bonds	7,082	4,260	5,152	-	-	(2,330)
U.S. Agency Obligations	3,976	2,925	3,856	-	-	(2,805)
Fixed Income	1,044	2,227	2,314	959	46	(4,502)
Asset-Backed Securities	972	-	780	-	-	192
Certificate of Deposit	487	-	104	336	5	42
U.S. Corporate Obligations	443	-	320	-	-	123
Investments Subject to Interest Rate Risk	2,612,406	$ 55,042	$ 581,560	$ 7,479	$ 1,306,066	$ 662,259
Investments Not Subject to Interest Rate Risk	1,078,830					
Information Not Available	8,555					
Total Investments, Discretely Presented Components	$ 3,699,791					

NOTE 4 RECEIVABLES

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

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

NOTE 4 RECEIVABLES (CONTINUED)

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

Leases Receivable

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

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

NOTE 4 RECEIVABLES (CONTINUED)

Leases Receivable (Continued)

	Business-Type Activities		
Year Ending June 30,	Principal	Interest	Total
2025	$ 6,737	$ 1,532	$ 8,269
2026	6,351	1,386	7,737
2027	5,033	1,249	6,282
2028	4,860	1,130	5,990
2029	4,497	1,018	5,515
2030 - 2034	18,305	3,812	22,117
2035 - 2039	17,562	3,266	20,828
2040 - 2044	18,463	2,993	21,456
2045 - 2049	15,888	2,893	18,781
2050 - 2054	246	32	278
2055 - 2059	121	15	136
2060 - 2064	103	4	107
Total	$ 98,166	$ 19,330	$ 117,496

	Discretely Presented Component Units		
Year Ending June 30,	Principal	Interest	Total
2025	$ 686	$ 4	$ 690
2026	654	12	666
2027	566	-	566
2028	566	-	566
2029	128	-	128
Total	$ 2,600	$ 16	$ 2,616

NOTE 4 RECEIVABLES (CONTINUED)

Discrete Component Units

The following is an analysis of the allowance for loan losses as of June 30, 2024, for the two largest discretely presented component units (expressed in thousands):

NMFA & NMMFA - Loan Loss Allowance

	NM Finance Authority	NM Mortgage Fin. Auth
Beginning Balance	$ 21,826	$ 9,540
Provision for Loan Losses	25,217	7,729
Loans Written Off, Net of Recoveries	(671)	(1,215)
Ending Balance	$ 46,372	$ 16,054

NM Finance Authority Loans have repayment terms ranging from 1 to 30 years. The stated interest rates are between 0% - 6%. NMMFA mortgage loans have repayment terms ranging from 10 to 40 years. The stated interest rates for these programs are as follows:

NMMFA - Loan Repayment Terms

Rental Housing Programs	1.98% to 7.02%
Other Mortgage Loans	0.00% to 8.41%
Second Mortgage Down Payment Assistance Loans	0.00% to 8.00%

MBSs have stated interest rates ranging from 2.175% and 7.49%.

NOTE 5 INTERFUND AND INTERAGENCY RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables balances result from the time lags between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

Transfers between funds occur when one fund collects revenue and transfers the assets to another fund for expenditure or when one fund provides working capital for another fund. All transfers must be legally authorized by the Legislature through statute or an Appropriation Act. Transfers during the year were made to finance the operations of the individual departments as authorized by the Legislature and to revert (transfers out) any unspent or unencumbered balance of the authorized appropriations. Transfers between the primary government and the fiduciary funds and component units are reclassified as expenditures in the government-wide financial statements.

The composition of interfund balances as of June 30, 2024, is as follows (expressed in thousands):

	Due From	Due To	Transfers In	Transfers Out
Governmental Activities:				
General	$ 283,071	$ 852,266	$ 5,154,522	$ 8,425,039
Debt Service	330,587	-	2,090,084	2,650,220
Capital Projects	807	34,056	1,907,688	1,381,491
Severance Tax Permanent	698	-	1,049,718	301,669
Land Grant Permanent	390,494	-	2,350,113	1,377,286
Internal Service	-	-	126,070	10,740
Subtotal	1,005,657	886,322	12,678,195	14,146,445
Asset Transfers (Government-Wide Level):				
General	-	-	58,823	4,825
Capital Projects	-	-	-	85,230
Subtotal	-	-	58,823	90,055
Total Governmental Activities	1,005,657	886,322	12,737,018	14,236,500
Business-Type Activities:				
Educational Institutions	50,683	171,858	1,622,571	136,386
Nonmajor Enterprise	2,346	506	42,010	28,713
Total Business-Type Activities	53,029	172,364	1,664,581	165,099
Total	$ 1,058,686	$ 1,058,686	$ 14,401,599	$ 14,401,599

NOTE 6 CAPITAL ASSETS

Capital and right-to-use asset activity for Governmental Activities for the year ended June 30, 2024, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Governmental Activities:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	$ 752,803	$ 7,293	$ -	$ -	$ 12,037	$ 772,133
Construction in Progress	1,200,543	696,705	(4,310)	-	(605,984)	1,286,954
Mineral Rights	92,301	-	-	-	(44)	92,257
Art and Other	928	-	-	-	-	928
Total Capital Assets Not Being Depreciated	2,046,575	703,998	(4,310)	-	(593,991)	2,152,272
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Land Improvements	71,863	9,852	(3,463)	-	2,797	81,049
Equipment and Machinery	285,817	55,490	(4,025)	-	4,171	341,453
Buildings and Improvements	2,104,976	28,460	(299)	-	24,904	2,158,041
Furniture and Fixtures	25,801	4,349	(508)	-	11	29,653
Data Processing Equipment and Software	516,969	45,514	(8,761)	-	1,363	555,085
Library Books and Other	15,634	344	-	-	(2,427)	13,551
Vehicles	383,866	43,915	(18,881)	-	2,642	411,542
Infrastructure	11,158,961	9,884	(1,314,043)	-	560,779	10,415,581
Right-to-Use Assets Being Amortized:						
Buildings and Improvements	605,321	61,818	(8,760)	-	-	658,379
Aircraft, Autos, and Trucks	12,690	2,579	(1,063)	-	-	14,206
Equipment and Machinery	11,416	2,802	(1,276)	-	-	12,942
Information Technology	389	-	-	-	-	389
Lease Asset - Right-to-Use - Depreciable	4,800	2,642	(149)	-	-	7,293
Subscriptions	26,668	22,817	(3,967)	-	-	45,518
Subtotal	15,225,169	290,466	(1,365,195)	-	594,240	14,744,680
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Land Improvements	(40,997)	(2,015)	5,930	-	(252)	(37,334)
Equipment and Machinery	(161,137)	(25,626)	5,444	-	99	(181,220)
Buildings and Improvements	(1,221,193)	(59,053)	774	-	2	(1,279,470)
Furniture and Fixtures	(18,494)	(1,556)	752	-	(26)	(19,324)
Data Processing Equipment and Software	(353,740)	(34,852)	8,904	-	45	(379,643)
Library Books and Other	(1,958)	(5,637)	-	-	(8)	(7,603)
Vehicles	(302,717)	(26,395)	18,765	-	(113)	(310,460)
Infrastructure	(6,702,823)	(296,759)	1,315,040	-	4	(5,684,538)
Accumulated Amortization for Right-to-Use Assets:						
Buildings and Improvements	(107,173)	(56,795)	4,435	-	-	(159,533)
Aircraft, Autos, and Trucks	(6,080)	(3,134)	1,055	-	-	(8,159)
Equipment and Machinery	(4,549)	(3,214)	1,223	-	-	(6,540)
Information Technology	(165)	(98)	-	-	-	(263)
Subscriptions	(8,394)	(12,997)	2,819	-	-	(18,572)
Subtotal	(8,929,420)	(528,131)	1,365,141	-	(249)	(8,092,659)
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	6,295,749	(237,665)	(54)	-	593,991	6,652,021
Total Governmental Activities Capital Assets, Net	$ 8,342,324	$ 466,333	$ (4,364)	$ -	$ -	$ 8,804,293

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

General Control	$	81,090
Education		3,840
Health and Human Services		35,323
Highways and Transportation		313,975
Culture, Recreation, and Nat. Resources		22,938
Judicial		20,074
Legislative		2,225
Public Safety		40,746
Regulation and Licensing		7,920
Total	$	528,131

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and right-to-use asset activity for Business-Type Activities for the year ended June 30, 2024, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Business-Type Activities:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	$ 117,972	$ 2,749	$ -	$ -	$ -	$ 120,721
Construction in Progress	567,989	311,545	(18,697)	(131,740)	-	729,097
Art and Other	2,685	395	-	-	-	3,080
Total Capital Assets Not Being Depreciated	688,646	314,689	(18,697)	(131,740)	-	852,898
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Land Improvements	167,913	974	-	25,771	-	194,658
Equipment and Machinery	1,091,401	79,472	(25,266)	14,440	-	1,160,047
Buildings and Improvements	3,911,881	25,083	(9,398)	70,954	-	3,998,520
Furniture and Fixtures	401	-	(21)	-	-	380
Data Processing Equipment and Software	22,798	112	(176)	-	-	22,734
Library Books and Other	364,853	9,179	(378)	-	-	373,654
Vehicles	8,317	1,251	(100)	-	-	9,468
Infrastructure	373,036	897	-	20,575	-	394,508
Right-to-Use Assets Being Amortized:						
Land Improvements	106	-	-	-	-	106
Buildings and Improvements	75,998	7,701	(14,084)	-	-	69,615
Equipment and Machinery	6,742	2,731	(71)	-	-	9,402
Lease Asset - Right-to-Use - Depreciable	6,003	2,232	(3,388)	-	-	4,847
Subscriptions	105,570	18,271	(1,561)	-	-	122,280
Subtotal	6,135,019	147,903	(54,443)	131,740	-	6,360,219
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Land Improvements	(152,002)	(10,062)	-	-	-	(162,064)
Equipment and Machinery	(821,321)	(61,837)	24,871	-	-	(858,287)
Buildings and Improvements	(1,945,636)	(97,708)	5,491	-	-	(2,037,853)
Furniture and Fixtures	(364)	(7)	21	-	-	(350)
Data Processing Equipment and Software	(17,349)	(133)	174	-	-	(17,308)
Library Books and Other	(325,376)	(10,188)	268	-	-	(335,296)
Vehicles	(5,864)	(554)	99	-	-	(6,319)
Infrastructure	(272,020)	(12,047)	-	-	-	(284,067)
Accumulated Amortization for Right-to-Use Assets:						
Lease Asset - Right-to-Use - Depreciable	(3,444)	(2,732)	3,286	-	-	(2,890)
Land Improvements	(79)	-	-	-	-	(79)
Buildings and Improvements	(24,861)	(8,281)	1,138	-	-	(32,004)
Equipment and Machinery	(3,859)	(1,791)	33	-	-	(5,617)
Subscriptions	(44,779)	(26,001)	900	-	-	(69,880)
Subtotal	(3,616,956)	(231,341)	36,281	-	-	(3,812,016)
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	2,518,063	(83,438)	(18,162)	131,740	-	2,548,203
Total Business-Type Activities Capital Assets, Net	$ 3,206,709	$ 231,251	$ (36,859)	$ -	$ -	$ 3,401,101

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and right-to-use asset activity for Fiduciary Funds for the year ended June 30, 2024, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Fiduciary Funds:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	$ 2,793	$ -	$ -	$ -	$ -	$ 2,793
Construction in Progress	-	8,953	-	-	-	8,953
Art and Other	31	-	-	-	-	31
Total Capital Assets Not Being Depreciated	2,824	8,953	-	-	-	11,777
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Land Improvements	19	-	-	-	-	19
Equipment and Machinery	259	286	-	-	-	545
Buildings and Improvements	16,082	-	-	-	-	16,082
Furniture and Fixtures	1,252	-	(421)	-	-	831
Data Processing Equipment and Software	24,811	292	-	-	-	25,103
Vehicles	57	-	(11)	-	-	46
Right-to-Use Assets Being Amortized:						
Buildings and Improvements	4,757	256	-	-	-	5,013
Equipment and Machinery	223	105	(30)	-	-	298
Subscriptions	113	1,776	-	-	-	1,889
Subtotal	47,573	2,715	(462)	-	-	49,826
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Land Improvements	(1,586)	(257)	-	-	-	(1,843)
Equipment and Machinery	(18)	(13)	-	-	-	(31)
Buildings and Improvements	(8,139)	(514)	-	-	-	(8,653)
Furniture and Fixtures	(1,209)	-	421	-	-	(788)
Data Processing Equipment and Software	(22,450)	(215)	-	-	-	(22,665)
Vehicles	(57)	-	11	-	-	(46)
Accumulated Amortization for Right-to-Use Assets:						
Buildings and Improvements	(492)	(120)	-	-	-	(612)
Equipment and Machinery	(353)	(323)	30	-	-	(646)
Subscriptions	(24)	(409)	-	-	-	(433)
Subtotal	(34,328)	(1,851)	462	-	-	(35,717)
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	13,245	864	-	-	-	14,109
Total Fiduciary Funds Capital Assets, Net	$ 16,069	$ 9,817	$ -	$ -	$ -	$ 25,886

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital and right-to-use asset activity for Component Units for the year ended June 30, 2024, was as follows (expressed in thousands):

	Beginning Balance	Additions	Deletions	Reclass	Transfers	Ending Balance
Component Units:						
Capital Assets Not Being Depreciated:						
Land and Land Improvements	$ 34,252	$ 7,835	$ (425)	$ -	$ -	$ 41,662
Construction Work in Progress	30,871	12,099	(24,734)	-	-	18,236
Mineral Rights	30	-	-	-	-	30
Art and Other	25,526	2,780	(8)	-	-	28,298
Total Capital Assets Not Being Depreciated	90,679	22,714	(25,167)	-	-	88,226
Capital and Right-to-Use Assets Being Depreciated/Amortized:						
Capital Assets Being Depreciated:						
Buildings and Improvements	203,258	65,694	(3)	-	-	268,949
Leasehold Improvements	3,760	627	-	-	-	4,387
Infrastructure	20,081	-	-	-	-	20,081
Aircrafts	105	-	-	-	-	105
Vehicles	4,808	919	(30)	-	-	5,697
Machinery and Equipment	19,373	18	(26)	-	-	19,365
Data Processing Equipment and Software	4,296	390	(375)	-	-	4,311
Furniture and Fixtures	17,881	7,070	(367)	-	-	24,584
Library Books and Other	316	-	(188)	-	-	128
Right-to-Use Assets Being Amortized:						
Buildings and Improvements	57,548	27,187	(37,130)	-	-	47,605
Aircraft, Autos, and Trucks	647	-	-	-	-	647
Equipment and Machinery	2,176	326	(225)	-	-	2,277
Subscriptions	1,139	1,653	(1,213)	-	(216)	1,363
Subtotal	335,388	103,884	(39,557)	-	(216)	399,499
Less: Accumulated Depreciation/Amortization for:						
Accumulated Depreciation for Capital Assets:						
Buildings and Improvements	(35,171)	(9,160)	3,422	-	-	(40,909)
Infrastructure	(12,661)	-	-	-	-	(12,661)
Vehicles	(3,086)	(321)	30	-	-	(3,377)
Equipment and Machinery	(11,453)	(159)	24	-	-	(11,588)
Leasehold Improvements	(1,019)	(386)	-	-	-	(1,405)
Data Processing Equipment and Software	(3,092)	(601)	375	-	-	(3,318)
Furniture and Fixtures	(9,955)	(2,577)	422	-	-	(12,110)
Library Books and Other	(316)	-	188	-	-	(128)
Accumulated Amortization for Right-to-Use Assets:						
Buildings and Improvements	(12,085)	(9,910)	5,674	-	-	(16,321)
Aircraft, Autos, and Trucks	(15)	(129)	-	-	-	(144)
Equipment and Machinery	(617)	(493)	170	-	-	(940)
Subscriptions	(236)	(292)	-	-	216	(312)
Subtotal	(89,706)	(24,028)	10,305	-	216	(103,213)
Total Capital and Right-to-Use Assets Being Depreciated/Amortized, Net	245,682	79,856	(29,252)	-	-	296,286
Total Component Units Capital Assets, Net	$ 336,361	$ 102,570	$ (54,419)	$ -	$ -	$ 384,512

NOTE 7 DEFERRED OUTFLOWS OF RESOURCES

A. Deferred Charge on Refunding

The State issued multiple series of refunding bonds in prior years to advance-refund certain older issues. Thus, the bonds which were advance-refunded are considered defeased in substance. The excess of the reacquisition price (funds required to refund the old debt) over the net carrying amount of the old debt resulted in a loss, reported as a deferred outflow of resources. For fiscal year ending June 30, 2024, the deferred outflow of resources for governmental activities and business-type activities were as follows (expressed in thousands):

Deferred Charge on Refunding

	Governmental	Business-Type
Beginning Balance	$ 21,497	$ 8,406
Deletions	(5,594)	(815)
Ending Balance	$ 15,903	$ 7,591

B. Interest Rate Swaps

In the course of bond refunding transactions, the State has entered into transactions termed interest rate swaps, which are classified as hedges. This has resulted in items classified as a deferred outflow of resources. For more information on these interest rate swaps, see Note 8 J.

NOTE 8 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2024, are presented in the following table (expressed in thousands). As referenced below, certain long-term liabilities are discussed in other Notes to the Financial Statements.

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-Term Debt
Governmental Activities:						
General Obligation Bonds	$ 541,270	$ -	$ (94,100)	$ 447,170	$ 99,355	$ 347,815
Severance Tax Bonds	1,268,165	-	(177,070)	1,091,095	166,340	924,755
Revenue Bonds and Loans Payable	908,875	-	(171,170)	737,705	97,514	640,191
Net Unamortized Premiums, Discounts	309,549	-	(65,663)	243,886	55,775	188,111
Subtotal	3,027,859	-	(508,003)	2,519,856	418,984	2,100,872
Insurance Claims Payable	235,940	770,611	(528,546)	478,005	236,632	241,373
Contingent Liabilities	-	29,792	-	29,792	-	29,792
Compensated Absences	101,383	90,817	(81,777)	110,423	94,384	16,039
Native American Water Settlement Liability	46,757	-	(23,004)	23,753	-	23,753
Pollution Remediation Obligation	53,733	7,037	(2,434)	58,336	1,746	56,590
Lease Liabilities	529,020	69,439	(61,749)	536,710	55,945	480,765
Subscription	17,090	22,676	(17,610)	22,156	8,263	13,893
Subtotal	983,923	990,372	(715,120)	1,259,175	396,970	862,205
Total Governmental Long-Term Liabilities	$ 4,011,782	$ 990,372	$ (1,223,123)	$ 3,779,031	$ 815,954	$ 2,963,077

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Long-Term Debt
Business-Type Activities:						
General Obligation Bonds	$ 19,730	$ -	$ (1,455)	$ 18,275	$ 1,405	$ 16,870
Revenue Bonds	652,739	-	(47,456)	605,283	49,770	555,513
Bond Premium, Discount, Net	27,257	-	(3,313)	23,944	24	23,920
Subtotal	699,726	-	(52,224)	647,502	51,199	596,303
Compensated Absences	112,446	98,135	(93,684)	116,897	94,571	22,326
Reserve for Losses	110,900	20,715	-	131,615	27,007	104,608
Notes Payable	11,993	-	(2,443)	9,550	2,585	6,965
Insurance Claims Payable	8,151	4,042	-	12,193	12,193	-
Mortgages Payable	261,355	110,719	(6,027)	366,047	12,434	353,613
Lease Liabilities	66,109	19,155	(29,677)	55,587	14,211	41,376
Subscription	53,747	9,490	(19,978)	43,259	14,922	28,337
Derivative Instruments - Interest Rate Swaps	1,059	-	(496)	563	-	563
Student Loans	8,421	161	(891)	7,691	-	7,691
Environmental Cleanup	5,434	-	-	5,434	-	5,434
Subtotal	639,615	262,417	(153,196)	748,836	177,923	570,913
Total Business-Type Long-Term Liabilities	$ 1,339,341	$ 262,417	$ (205,420)	$ 1,396,338	$ 229,122	$ 1,167,216
Fiduciary:						
Pension Trust Funds:						
Reserve for Losses	$ 21,978	$ -	$ (2,718)	$ 19,260	$ -	$ 19,260
Lease Liabilities	4,388	361	(463)	4,286	235	4,051
Subscriptions	-	1,771	(351)	1,420	579	841
Compensated Absences	1,255	853	(761)	1,347	1,347	-
Total Fiduciary Long-Term Liabilities	$ 27,621	$ 2,985	$ (4,293)	$ 26,313	$ 2,161	$ 24,152
Component Units:						
Revenue Bonds	$ 2,987,972	$ 762,686	$ (229,515)	$ 3,521,143	$ 165,208	$ 3,355,935
Bond Premium, Discount, Net	241,970	9,885	(276)	251,579	42,639	208,940
Subtotal	3,229,942	772,571	(229,791)	3,772,722	207,847	3,564,875
Compensated Absences	2,160	1,353	(1,248)	2,265	2,265	-
Notes Payable	228,459	1,273,460	(1,309,660)	192,259	79,103	113,156
Loans Payable	207	-	(207)	-	-	-
Lease Liabilities	49,651	25,509	(40,183)	34,977	9,119	25,858
Subscription Liabilities	717	1,465	(2,029)	153	108	45
Subtotal	281,194	1,301,787	(1,353,327)	229,654	90,595	139,059
Total Component Unit Long-Term Liabilities	$ 3,511,136	$ 2,074,358	$ (1,583,118)	$ 4,002,376	$ 298,442	$ 3,703,934

A. General Obligation Bonds

The State issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities for local governments as authorized by the Legislature of the State of New Mexico. General obligation bonds are direct obligations and pledge the full faith and credit of the State. These bonds generally are issued as 10-year serial bonds with equal amounts of principal maturing each year. Funding for the payment of the debt service of the general obligation bonds is provided through the collection of property taxes levied by the local governments receiving the funding for capital spending.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

A. General Obligation Bonds (Continued)

General obligation bonds outstanding at year-end are as follows:

General Obligation Bonds Payable
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024	Due in One Year
Series 2015	3/25/15	2025	5.00 %	$ 141,635	$ 17,560	$ 17,560
Series 2017A	8/1/17	2027	5.00	148,520	58,790	17,915
Series 2017B	8/1/17	2025	5.00	151,790	16,175	16,175
Series 2019	7/30/19	2029	5.00	139,985	44,440	10,930
Series 2021	5/27/21	2031	5.00	166,675	105,775	18,290
Series 2023	4/27/23	2033	5.00	223,710	204,430	18,485
Total General Obligation Bonds Payable					$ 447,170	$ 99,355

General Obligation Bond Premium Outstanding
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024	Due in One Year
Series 2015	3/25/15	2025	5.00 %	$ 26,120	$ 191	$ 191
Series 2017A	8/1/17	2027	5.00	26,897	2,275	1,310
Series 2017B	8/1/17	2025	5.00	23,160	280	280
Series 2019	7/30/19	2029	5.00	17,947	4,371	1,610
Series 2021	5/27/21	2031	5.00	32,869	15,928	4,298
Series 2023	4/27/23	2033	5.00	35,178	27,026	5,745
Total General Obligation Bond Premium Outstanding					$ 50,071	$ 13,434

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 99,355	$ 22,358	$ 121,713
2026	62,175	17,391	79,566
2027	67,545	14,282	81,827
2028	47,150	10,905	58,055
2029	51,870	8,547	60,417
2030 - 2034	119,075	14,421	133,496
Total	$ 447,170	$ 87,904	$ 535,074

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

B. Severance Tax Bonds

Severance tax bonds are used to fund the capital needs of state agencies, local governments, and public and higher education as authorized by the Legislature of the State of New Mexico. In addition, severance tax bonds have been issued to refund severance tax bonds. Funding for the payment of the debt service of the severance tax bonds is provided through the collection of severance taxes levied on the mining and production of various natural resources, such as minerals, oil, and gas. The severance tax bonds are secured by the levied taxes. This is a permanent commitment of a portion of total severance tax revenues. As authorized by State statute, severance tax revenues are transferred to the Severance Tax Bonding Fund and first pay the required debt service on severance tax bonds and supplemental severance tax bonds issued by the State, with the remainder being transferred to the Severance Tax Permanent Fund. For the year ended June 30, 2024, total severance tax revenues transferred to the Severance Tax Bonding Fund were $2.4 billion. The total principal and interest requirements were $180.6 million for long-term debt and $1.0 billion for short-term debt for all severance tax and supplemental severance tax bonds and short-term notes.

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

Severance Tax Bonds Payable
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024	Due in One Year
Series 2015A	8/12/2015	2026	5.00 %	$ 129,195	$ 35,530	$ 17,320
Series 2015B Supplemental	8/12/2015	2026	5.00	69,745	17,365	8,465
Series 2016A	6/23/2016	2027	3.00 - 5.00	78,750	43,220	13,690
Series 2016B	6/23/2016	2025	4.00	181,395	20,550	20,550
Series 2016D	12/6/2016	2028	5.00	26,725	19,655	2,455
Series 2017A	8/8/2017	2028	5.00	69,470	33,920	8,225
Series 2018A	6/28/2018	2029	5.00	122,560	69,945	12,625
Series 2020A	11/3/2020	2031	5.00	94,735	74,745	9,260
Series 2021A	6/29/2022	2032	5.00	317,170	265,755	27,705
Series 2022A	6/29/2022	2033	5.00	260,900	240,280	21,675
Series 2022B	10/11/2022	2033	5.00	293,310	270,130	24,370
Total Severance Tax Bonds Payable					$ 1,091,095	$ 166,340

Severance Tax Bond Premium Outstanding
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024	Due in One Year
Series 2015A	8/12/2015	2026	5.00 %	$ 23,121	$ 283	$ 283
Series 2015 B Supplemental	8/12/2015	2026	5.00	11,428	140	140
Series 2016 A	6/23/2016	2027	3.00 - 5.00	19,770	867	626
Series 2016 D	12/6/2016	2028	5.00	5,379	466	250
Series 2017A	8/8/2017	2028	5.00	13,280	1,263	680
Series 2018A	6/28/2018	2029	5.00	17,619	2,922	1,246
Series 2020A	11/3/2020	2031	5.00	22,589	8,688	2,606
Series 2021A	6/29/2021	2032	5.00	74,551	36,912	9,637
Series 2022A	6/29/2022	2033	5.00	31,097	20,024	4,634
Series 2022B	10/11/2022	2033	5.00	35,178	16,167	3,735
Total Severance Tax Bond Premium Payable					$ 87,732	$ 23,837

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

B. Severance Tax Bonds (Continued)

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 166,340	$ 50,294	$ 216,634
2025	155,820	42,342	198,162
2026	134,965	35,073	170,038
2027	125,690	28,556	154,246
2028	116,640	22,498	139,138
2029 - 2033	391,640	36,155	427,795
Total	$ 1,091,095	$ 214,918	$ 1,306,013

C. Short-Term Debt

Per Section 7-27-8 NMSA, the Office of State Treasurer is required to transfer any money left in the Severance Tax Bond Fund every June 30 and December 31 to the Severance Tax Permanent Fund. The State Board of Finance issues short-term Severance Tax Notes, which are of one to three days duration, in order to more fully utilize the excess cash until such time as it is transferred. During the fiscal year 2024, short-term notes were sold and redeemed as follows (expressed in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Sponge Bonds	$ -	$ 1,505,715	$ (1,505,715)	$ -

D. Revenue Bonds

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

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Revenue bonds payable are as follows:

Governmental Activities

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

Bond Issue	Original Issue	Maturity Date	Interest Rate	Balance June 30, 2024	Due in One Year
The following are direct borrowings, loans issued by NM Finance Authority to various departments of the State based on the bonds issued:					
2015A PPRF - Metro Court	$ 30,685	2025	4.00 - 5.00 %	$ 3,750	$ 3,750
Series 2021 Spaceport Public Project	35,439	2030	0.77	22,530	4,445
2016C PPRF 3445 - General Services Dept. 8	37,320	2036	1.90 - 4.90	27,205	1,780
2018C1 PPRF - General Services Dept. - 4717A	11,510	2039	4.00 - 5.00	11,510	-
2018C2 PPRF - General Services Dept. - 4717B	7,040	2038	2.77 - 4.09	6,830	80
2018A PPRF - General Services Dept. - 4431	28,480	2036	4.00 - 5.00	21,445	1,385
PPRF - 4955 - GSD Energy Efficiency	11,500	2033	2.90 - 3.90	9,425	795
PPRF - 2668 -DOH 9 - Las Vegas Med. Ctr.	8,975	2037	3.80	7,500	59
PPRF - 4432 - Cig. Tax Ref. Bonds	5,120	2028	5.00	2,080	510
PPRF - 4769 - Ft. Bayard Med. Ctr.	48,635	2039	5.00	39,530	2,015
Total Direct Borrowings				151,805	14,819
The following Revenue Bonds are direct placements, issued by the State Department of Transportation (DOT) with the assistance of NMFA acting in an agency capacity on behalf of DOT:					
Series 2014 A Revenue	70,110	2032	5.00	55,575	5,695
Series 2014 B Revenue	79,405	2027	5.00	67,740	2,015
Series 2018 A Refunding	420,090	2030	5.00	178,955	21,655
Series 2020 A Refunding	63,180	2025	5.00	6,715	6,715
Series 2021 A Refunding	234,600	2030	5.00	234,600	24,795
Series 2022 A Refunding	47,240	2026	5.00	42,315	20,845
Total Direct Placements				585,900	81,720
Total Revenue Bonds and Loans, Governmental Activities				$ 737,705	$ 96,539

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

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

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

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Governmental Activities (Continued)

Of the total of bonds and loans payable for governmental activities, $166.1 million is payable to NM Finance Authority, a discretely presented component unit. These loans are considered to be direct borrowings. There are various covenants in the loan agreements which protect the lender from a default. These are summarized as follows:

Bonds and Loans Payable - Payable to Others and Payable to NMFA
(Expressed in Thousands)

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

Several of the loans reported are secured by prior agreement with tax revenue intercepted by the State Taxation and Revenue Department and sent directly to the NMFA. This includes loans to the General Services Department totaling $261.4 thousand.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Business-Type Activities

Revenue bonds related to business-type activities are as follows:

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

Bond Issue	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2024	Due in One Year
The following are direct borrowings, loans issued by NMFA to various state educational institutions, based on the bonds:					
System Imp. Revenue Series 2015 A	2045	0.34 - 3.93 %	$ 12,480	$ 10,960	$ 925
System Revenue Refunding Series 2015 B	2026	0.34 - 2.44	6,175	1,210	-
System Imp. Revenue Bonds Series 2017	2038	0.09 - 3.48	5,645	4,238	256
System Imp. Revenue Bonds Series 2020	2036	1.12 - 2.75	22,445	18,200	1,070
General Obligation Bonds Series 2020	2030	0.47 - 1.25	3,000	620	100
System Refunding Revenue Series 2009 B	2035	5.32 - 6.07	14,000	7,635	570
System Refunding Revenue Series 2012	2034	0.93 - 4.26	19,741	10,020	835
System Refunding Revenue Series 2021	2031	1.01	8,470	5,955	830
Series 2019A Improvement	2039	1.30 - 2.89	5,181	4,225	247
Series 2019B Improvement	2044	1.30 - 3.15	6,689	6,299	126
System Refunding & Imp. Revenue Series 2013	2038	2.10 - 5.10	6,755	3,245	180
System Revenue Refunding Series 2020 A	2038	2.25	9,000	7,379	491
System Improvement Series 2020 B	2045	2.25	7,631	6,822	169
Series 2022 Subordinate Lien System Improvement Bonds	2042	2.61	5,080	4,645	205
Loan Payable	2036	1.50 - 2.50	7,000	4,935	320
Bond Series 2022	2042	3.60 - 5.00	28,065	28,060	5
2016 A PPRF - UNM Health Sciences Ctr. - Loan	2025	1.90 - 4.90	26,200	2,970	2,970
UNM ADW - UNM - Green Water Project - Loan	2032	0.75	399	170	20
Subtotal				127,588	9,319
The following are direct borrowing mortgage loans issued by separate financial institutions to the University of New Mexico:					
Mortgage Loan	2041	1.98	106,386	88,915	6,057
Mortgage Loan - UNM Hospital	2049	3.28	276,877	276,877	6,281
Total Direct Borrowings				365,792	12,338
The following Revenue Bonds are direct placements:					
MCMC St. Perm. Fd. Rev. Imp. & Refunding Series 2013	2023	3.00	14,645	3,600	1,170
Refunding and Imp. Revenue Series 2013 A-C	2030	1.89 - 5.27	56,200	12,055	4,310
System Imp. Revenue Series 2017 A-C	2042	1.75 - 5.00	73,240	56,630	3,295
Refunding and Imp. Revenue Series 2019 A & B	2040	2.00 - 5.00	24,985	17,865	1,950
Series 2013A Improvement	2028	2.00 - 4.00	8,935	2,500	800
System Revenue Series 2019	2040	4.00	8,555	7,900	190
UNM Hospital Mortgage Bond	2032	0.48 - 3.53	115,000	61,485	6,690
Subordinate Lien System Imp. Revenue Series 2001	2026	Variable	52,625	6,755	3,305
Subordinate Lien System Refunding Revenue Series 2002 B	2026	Variable	25,475	5,455	1,790
Subordinate Lien System Refunding Revenue Series 2002 C	2030	Variable	37,840	17,020	2,675
Subordinate Lien System Imp. Revenue Series 2016A	2046	2.00 - 5.00	158,435	134,605	7,780
Subordinate Lien System Imp. Revenue Series 2017	2047	3.25 - 5.00	40,900	36,055	890
Subordinate Lien System Imp. Revenue Series 2019	2032	1.85 - 3.02	22,140	15,000	1,710
Subordinate Lien System Ref. Revenue Series 2021	2035	0.17 - 2.17	74,450	70,080	7,340
System Improvement Revenue Bond - Series 2023	2053	4.13 - 5.50	51,995	51,895	565
Total Direct Placements				498,900	44,460
Total Revenue Bonds and Loans, Business-type Activities				$ 992,280	$ 66,117

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Revenue Bonds (Continued)

Business-Type Activities (Continued)

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 53,021	$ 22,969	$ 75,990
2026	51,575	21,059	72,634
2027	47,201	19,218	66,419
2028	47,429	17,817	65,246
2029	49,678	17,366	67,044
2030 - 2034	192,654	60,373	253,027
2035 - 2039	98,348	31,701	130,049
2040 - 2044	54,820	16,113	70,933
2045 - 2049	26,142	6,439	32,581
2050 - 2054	12,240	1,728	13,968
Total	$ 633,108	$ 214,783	$ 847,891

Of the total of bonds and loans payable for business-type activities, $125.4 thousand is payable to NM Finance Authority, a discretely presented component unit. These loans are considered to be direct borrowings. There are various covenants in the loan agreements which protect the lender from a default. These are summarized as follows:

Bonds and Loans Payable - Payable to Others and Payable to NMFA
(Expressed in Thousands)

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

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

E. Pledged Revenue

The following listing provides more details on the types of revenue pledged for the various revenue bonds outstanding.

Governmental Activities

Agency:	***State of New Mexico - Severance Tax Bonds***
Purpose of Bonds:	Construction and acquisition of capital projects statewide
Total Amount of Bonds Issued:	$ 1.7 billion
Type of Revenues Pledged:	Severance tax revenues collected from oil, gas, and mineral extraction activities.
Term of Commitment:	Through June 30, 2032
Total Debt Service Remaining:	$ 1.3 billion
Revenue Stream for Current Year:	$ 2.1 billion
Debt Service for Current Year:	$ 177.1 million

Agency:	***Department of Transportation***
Purpose of Bonds:	Construct and improve State highway and transportation system.
Total Amount of Bonds Issued:	$ 914.6 million
Type of Revenues Pledged:	Gasoline excise taxes, motor vehicle registration and other fees deposited into State Road Fund, plus Federal Highway Fund revenues
Term of Commitment:	Through June 30, 2032
Total Debt Service Remaining:	$ 697.4 million
Revenue Stream for Current Year:	$ 1.1 billion
Debt Service for Current Year:	$ 156.9 million

Agency:	***Spaceport Authority***
Purpose of Bonds	Construction of the Spaceport America launch facility.
Total Amount of Debt Issued:	$35.4 million
Type of Revenues Pledged:	Authority's share of governmental gross receipts tax revenue
Total Debt Service Remaining:	$ 23 million
Term of Commitment:	Through June 30, 2029
Revenue Stream for Current Year:	$ 10.8 million
Debt Service for Current Year:	$ 4.6 million

Agency:	***Bernalillo County Metropolitan Court***
Purpose of Bonds	Court parking structure
Total Amount of Debt Issued:	$ 30.7 million
Type of Revenues Pledged:	Court facilities fees collected.
Total Debt Service Remaining:	$ 3.9 million
Term of Commitment:	Through June 30, 2025
Revenue Stream for Current Year:	$ 5.4 million
Debt Service for Current Year:	$ 3.6 million

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

E. Pledged Revenue (Continued)

Governmental Activities (Continued)

Agency:	***General Services Department***
Purpose of Bonds	State facilities acquisition and development.
Total Amount of Debt Issued:	$ 147.4 million
Type of Revenues Pledged:	Government gross receipts tax, cigarette tax.
Total Debt Service Remaining:	$ 170.8 million
Term of Commitment:	Through June 30, 2043
Revenue Stream for Current Year:	$ 8.1 million
Debt Service for Current Year:	$ 7.3 million

Business-Type Activities

Agency:	***Miners' Colfax Medical Center***
Purpose of Bonds:	Improvement and expansion of medical facilities
Total Amount of Bonds Issued:	$ 14.6 million
Type of Revenues Pledged:	Center's share of distributions from the State Land Grant and the Charitable, Penal, and Reform Permanent Funds
Total Debt Service Remaining:	$ 3.8 million
Term of Commitment:	Through June 30, 2027
Revenue Stream for Current Year:	$ 10.2 million
Debt Service for Current Year:	$ 1.2 million

Agency:	***Educational Institutions (UNM, NMSU, ENMU, WNMU, NMMI, NMHU, NM Tech)***
Purpose of Bonds:	Construction and improvement of various capital facilities
Total Amount of Bonds Issued:	$ 1.1 billion
Type of Revenues Pledged:	Substantially all unrestricted revenues, including Permanent Fund distributions, student fees, and income from revenue-producing facilities, but excluding state appropriations and income from clinical operations.
Total Debt Service Remaining:	$ 1.4 billion
Term of Commitment:	Through June 30, 2053
Revenue Stream for Current Year:	$ 758.7 million
Debt Service for Current Year:	$ 59 million

F. Leases Payable

The State implemented GASB Statement No. 87, *Leases,* as of July 1, 2021. This statement requires that governmental entities record leases payable with terms of more than one year at the present value of the future payments. In addition, an intangible asset conveying a right-to-use the stated building or equipment must also be recorded. Similar requirements exist for lessors of buildings or equipment.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

F. Leases Payable (Continued)

Right-to-Use Assets

The State has recorded intangible right-to-use assets as a result of implementing GASB 87. The leased assets are initially measured at the amount equal to the initial measurement of the related lease liability, unless other costs are involved. Leased assets are amortized on a straight-line basis over the shorter of the useful life of the underlying asset or the lease term.

These right-to-use assets are located in the Capital Assets section of this report.

Lease Liability

The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation date, at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. If a discount rate is not stated in the agreement, the lessee's incremental borrowing rate should be used. For leases beginning during fiscal year 2024, the State has adopted the rate of 2.13% for lease terms greater than one year and less than five years, 2.06% for lease terms greater than five years and less than 10 years, 2.41% for lease terms greater than 10 years.

The lease liabilities are amortized using the effective-interest method, as prescribed by GASB 87.

The present value of the future minimum lease obligations under these agreements are as follows:

Governmental Activities
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 56,103	$ 8,397	$ 64,500
2026	48,523	7,831	56,354
2027	45,660	7,221	52,881
2028	41,790	6,626	48,416
2029	35,322	6,058	41,380
2030 - 2034	136,957	22,892	159,849
2035 - 2039	112,676	11,580	124,256
2040 - 2044	50,972	3,043	54,015
2045 - 2049	6,285	718	7,003
2050 - 2054	4,368	261	4,629
2055 - 2059	656	46	702
Total	$ 539,312	$ 74,673	$ 613,985

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

F. Leases Payable (Continued)

Lease Liability (Continued)

Business-Type Activities
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 14,209	$ 1,207	$ 15,416
2026	9,679	949	10,628
2027	6,474	779	7,253
2028	4,314	655	4,969
2029	2,533	561	3,094
2030 - 2034	11,177	2,563	13,740
2035 - 2039	3,769	672	4,441
2040 - 2044	3,432	187	3,619
Total	$ 55,587	$ 7,573	$ 63,160

Fiduciary Activities
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 367	$ 61	$ 428
2026	351	57	408
2027	359	53	412
2028	367	48	415
2029	361	44	405
2030 - 2034	1,130	162	1,292
2035 - 2039	1,141	67	1,208
2040 - 2044	210	2	212
Total	$ 4,286	$ 494	$ 4,780

Discretely Presented Component Units (*Excluding State Charter Schools*)
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 588	$ 5	$ 593
2026	51	3	54
2027	10	1	11
Total	$ 649	$ 9	$ 658

* Total interest not furnished.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

G. Subscriptions Payable

The State has entered into subscription based-information technology arrangements (SBITAs) through the various agencies and universities of the State. The information for SBITAs are available in each of the separate financial statements.

The future subscription payments under SBITA agreements are as follows:

Governmental Activities
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 7,949	$ 97,740	$ 105,689
2026	4,986	224	5,210
2027	2,868	154	3,022
2028	1,398	114	1,512
2029	821	81	902
2030 - 2034	2,268	137	2,405
Total	$ 20,290	$ 98,450	$ 118,740

Business-Type Activities
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 14,922	$ 1,216	$ 16,138
2026	10,754	754	11,508
2027	8,526	417	8,943
2028	1,857	266	2,123
2029	1,732	203	1,935
2030 - 2034	5,468	308	5,776
Total	$ 43,259	$ 3,164	$ 46,423

Discretely-Presented Component Units (*Excluding State Charter Schools)*
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 269	$ 33	$ 302
2026	108	10	118
2027	77	4	81
Total	$ 454	$ 47	$ 501

Fiduciary Activities
(Expressed in Thousands)

Year Ending June 30,	Principal	Interest	Total
2025	$ 579	$ 24	$ 603
2026	591	11	602
2027	250	1	251
Total	$ 1,420	$ 36	$ 1,456

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

H. Conduit Debt Component Unit

Accounting standards define conduit debt obligations as certain limited obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local government entity for the express purpose of providing capital financing for a specific third party that is not part of the issuer's financial reporting entity. Although the conduit debt obligations bear the name of the issuer, the entity has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

The New Mexico Hospital Equipment Loan Council, a discretely presented component unit, has issued revenue bonds, lease purchase agreements, and master financing agreements to provide financing for the acquisition and construction of equipment and facilities. These bonds, lease purchase agreements, and master financing agreements are secured by the property financed and are payable solely from payments received on the underlying loans. Neither the Council nor any political subdivision of the State is obligated in any manner for repayment of either the bonds or the lease purchase or master financing agreements. Accordingly, the bonds and the obligations under the lease purchase and master financing agreements are not reported as liabilities in the accompanying financial statements.

At June 30, 2024, conduit debt obligations outstanding are as follows:

New Mexico Hospital Equipment Loan Council
Conduit Debt
(Expressed in Thousands)

	Balance June 30, 2024
Hospital Revenue Bonds and Leases:	
Dialysis Clinic, Inc. Project, Series 2000	$ 5,000
Lovelace Women's Hospital, Series 2007	12,617
Presbyterian Healthcare Services, Series 2008 A - D	117,190
Lovelace Health Systems, Series 2011	32,800
Lovelace Health Systems, Series 2012	26,165
Presbyterian Healthcare Services Series 2015 A	189,115
San Juan Regional Medical Center, Series 2017	6,936
Presbyterian Healthcare Services, Series 2017 A - B	302,270
Haverland Carter Series 2019 A - C	89,535
Presbyterian Healthcare Series 2019 A - C	304,245
San Juan Regional Medical Center Series 2020	29,125
Haverland Carter Series 2022	29,600
San Juan Regional Medical Center Series 2022	17,712
Total	$ 1,162,310

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

I. Other Liabilities

Compensated Absences

Compensated absences of governmental activities are liquidated in the General Fund. Claims liabilities of governmental activities of the Internal Services agencies are liquidated in the Internal Service Fund. Compensated absences of business-type activities are liquidated in the respective fund of obligation.

Pollution Remediation Obligation

The State is responsible for environmental management to reasonably protect human health and the environment in accordance with the Environmental Improvement Act, Chapter 74-1-1, NMSA 1978 (Act). GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* provides guidance in estimating and reporting the potential costs of pollution remediation.

The following details the nature of the identified sites:

Leaking Petroleum Storage Tanks (LPST)

The State oversees cleanups of LPST sites and reimburses eligible parties from the PST corrective action fund, which has paid for the vast majority of LPST cleanups. However, for Priority 1 State Lead sites, in which there is an imminent danger to the public health or environment, the State has obligated itself to begin remediation clean-up activities as a result of an unwilling or unable property owner in the amount of $1.4 million as of June 30, 2024.

Superfund

The Superfund Oversight Section of the State assists the United States Environmental Protection Agency (EPA) in characterization of inactive hazardous waste sites; identifies sites which warrant remedial or removal action under Superfund (CERCLA); and oversees remedial activities and provides management assistance to EPA at Superfund sites listed on the National Priorities List (NPL). There are currently 15 listed Superfund sites in New Mexico which are in various stages of investigation and remediation. One of the 15 listed Superfund sites was placed on the NPL in April 2016. The site is currently in the remedial investigation phase in which no financial obligation exists. The Department estimates it will take at least two or three years before a Record of Decision is issued by the EPA. As of June 30, 2024, this site is excluded from the estimated pollution remediation liability which for Superfund sites totals $56.9 million.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

I. Other Liabilities (Continued)

Superfund (Continued)

The total pollution remediation liability for both the LPST and Superfund sites are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Amount Due Within One Year	$ 1,183	$ 1,559	$ (996)	$ 1,746
Amount Due in More than One Year	52,550	5,478	(1,438)	56,590
Total Pollution Remediation Liabilities	$ 53,733	$ 7,037	$ (2,434)	$ 58,336

Indian Water Rights Liability

New Mexico currently has three Indian water rights settlements pending implementation: the Navajo Nation Settlement in the San Juan River adjudication, the Settlement Agreement with the Pueblos of Nambe, Pojoaque, Tesuque, and San Ildefonso in the Aamodt adjudication, and the Taos Pueblo Settlement in the Rio Pueblo de Taos/Rio Hondo adjudication. For each of these three settlements, a settlement agreement was executed in 2005 or 2006 by the tribe or Pueblos and the State of New Mexico. The Aamodt and Taos Pueblo settlement agreements also were executed by other water right owning parties. Subsequent to the passage of federal legislation authorizing each of the settlements in 2009 and 2010, the Secretary of the U.S. Department of Interior signed all three settlement agreements on behalf of the United States. Copies of the three fully executed settlement agreements and related documents can be found at: www.ose.state.nm.us/legal_ose_proposed_settlements.html.

Each of the agreements involves a contribution from the State of New Mexico in the form of construction of infrastructure. The value of infrastructure and mutual benefits projects contemplated in the three settlements are estimated at more than $155.5 million as of June 30, 2024. The State will not own the infrastructure once completed; the infrastructure and projects will be owned by tribal and local governments.

A portion of the State's share includes $10 million in nonmandatory expenditures for ditch rehabilitation under the Navajo Settlement.

The State has recognized the estimated liability of $23.7 million in the financial statements as of June 30, 2024.

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

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

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

I. Other Liabilities (Continued)

Indian Water Rights Liability (Continued)

A summary of the funds disbursed, and the remaining liability follows (expressed in thousands):

Indian Water Rights Settlement	Disbursed To Date	Balance, June 30, 2024
Aamodt	$ 86,200	$ 18,300
Taos	14,596	5,453
Navajo	30,949	-
Total	$ 131,745	$ 23,753

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

J. University of New Mexico

Standby Purchase Agreements

Standby Purchase Agreements provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees are based on a percentage of the outstanding bond balance, payable semiannually. Liquidity fees for the years ended June 30, 2024 and **2023** were $26 and $290, in thousands, respectively. An agreement with US Bank was entered into on December 31, 2014 for a three-year term expiring December 29, 2017. The University negotiated two additional three-year terms with US Bank that ends on October 30, 2023. On September 15, 2023 the Standby Agreement with US Bank was extended through June 1, 2026 for Series 2001 and 2002B bonds, and through September 15, 2026 for Series 2002C bonds.

A schedule including maturities and fees is as follows (expressed in thousands):

	US Bank			
Liquidity Expiration	Series 2001	Series 2002B	Series 2002C	Grand Total
6/1/2026	$ 6,755	$ 5,455	$ 17,020	$ 29,230

Liquidity Fees	2001	2002B	2002C	Total
FY24	$ -	$ -	$ 26	$ 26

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Interest Rate Swap Agreements

On June 30, 2024, UNM had the following derivative instruments outstanding (expressed in thousands):

Item/ Counter-Party	Type	Objective	Effective Date	Maturity Date	Terms	Current Fair Value	Current Notional Amount
Hedging Derivatives:							
A - JP Morgan	'Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	$ (20)	$ 3,378
B - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2030	Receive SIFMA USD - Pay 3.9% Fixed	(426)	17,020
C - JP Morgan	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2002B Refunding Revenue Bonds (Underlying Swap)	1/14/2003	6/1/2026	Receive SIFMA USD - Pay 3.8% Fixed	(45)	1,688
D - RBC Royal Bank	Pay-Fixed/Receive Variable Interest Rate Swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.2% Fixed	(20)	17,020
Investment Derivatives:							
E - JP Morgan	Pay-Variable/Receive Variable Interest Rate Swap	Hedge against falling SIFMA rates related to the 2001 System Improvement Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2026	Receive 63.6% of 5-Year USD Swap Rate + 0.3% - Pay SIFMA	(35)	5,455
F - JP Morgan	Pay-Variable/Receive Variable Interest Rate Swap	Hedge against falling SIFMA rates related to the 2002C Refunding Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2030	Receive 63.6% of 5-Year USD Swap Rate + 0.3% - Pay SIFMA	(17)	1,689

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Risks

Credit Risk

Each of UNM's derivative instruments is held with the same counterparty except for Derivative Instrument D. Deterioration of credit ratings could indicate a potential inability of the counterparty to make the required periodic payments. The credit ratings for each of the counterparties are as follows:

	Moody's		S & P		Fitch	
Entity	L/T Rating	S/T Rating	L/T Rating	S/T Rating	L/T Rating	S/T Rating
JP Morgan	Aa2	P-1	A+	A1	AA	F1+
RBC Royal Bank	A1	P-1	AA-	A-1+	AA-	F1+

Interest Rate Risk

UNM is exposed to interest rate risk on its receive-variable, pay-fixed underlying interest rate swaps. As the Securities Industry and Financial Markets Association (SIFMA) swap index decreases, the University's net payment on the underlying swaps increases. Alternatively, on its pay-variable (SIFMA), receive-variable (LIBOR) overlay interest rate swaps, as LIBOR and the SIFMA swap index increases, the University's net payment on the overlay swaps increases.

Basis Risk

The variable-rate debt hedged by UNM's derivative instruments are variable-rate demand obligation (VRDO) bonds that are remarketed every seven days. The University is exposed to basis risk on its pay-variable (SIFMA), receive-variable (USD Swap Rate) overlay interest rate swaps, because the variable-rate payments received by the University on these derivative instruments are based on a rate USD Swap Rate other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2024, the interest rate on the University's variable-rate hedged debt (SIFMA) is 3.88%, while the 63.55% of five-year USD Swap Rate 4.34% + 0.31% is 3.07%.

Termination Risk

UNM or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, UNM is exposed to termination risk on Derivative Instruments B and C because the contract provides the counterparty with a knockout option to terminate the contract if the 180-day SIFMA is equal to or greater than 7%. The 180-day SIFMA is defined as the weighted average rate taken off the USD floating SIFMA Index Rates published within the previous 180-day period. If at the time of termination, a derivative instrument were in a liability position, UNM would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Risks (Continued)

Rollover Risk

UNM is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the debt. When these derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, UNM will be re-exposed to the risks being hedged by the derivative instrument. Derivative Instruments B and C expose UNM to rollover risk because the counterparty has the option to terminate the contract by exercising a knockout option.

Foreign Currency Risk

UNM has no exposure to foreign currency risk from its derivative instruments.

Commitments

All of UNM's derivative instruments include provisions that require UNM to post collateral in the event its credit rating falls below certain levels. UNM has entered into a two-way Credit Support Annex (CSA) with the swap counterparties, which is based on each party's long-term unsecured unsubordinated debt rating. The following matrix dictates the potential collateral postings if the swaps mark-to-market values are above the mandated thresholds (expressed in thousands):

Rating	Swap M-T-M Threshold for Party's A & B		
AA/Aa2 and >	USD	$	25,000
AA-/Aa3	USD		20,000
A+/A1	USD		15,000
A/A2	USD		10,000
A-/A3	USD		5,000
BBB+/Baa1 and <	USD		-

The collateral to be posted is to be in the form of U.S. Treasury Securities in the amount of the fair value of derivative instruments in liability positions net of the effect of applicable netting arrangements. If UNM or the counterparty does not post collateral, the derivative instrument may be terminated. UNM's credit rating is AA-/Aa3 at June 30, 2024; therefore, no collateral has been posted.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

J. University of New Mexico (Continued)

Derivative Instrument Payments and Hedged Debt

As of June 30, 2024, aggregate debt service requirements of UNM's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The hedging derivative instruments column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

University of New Mexico
Debt Service Requirements
On Associated Hedging Derivative Instruments
(Expressed in Thousands)

Fiscal Year Ending June 30,	Principal	Interest	Hedging Derivative Instruments, Net	Total
2025	$ 7,770	$ 1,020	$ 118	$ 8,908
2026	9,900	649	180	10,729
2027	2,900	329	126	3,355
2028	3,030	259	82	3,371
2029	3,160	174	49	3,383
2030 - 2034	2,470	73	24	2,567
Total	$ 29,230	$ 2,504	$ 579	$ 32,313

Fiscal Year Changes in Swap Valuations

UNM has entered into interest rate swaps as shown in the prior schedule. The swaps were put in place starting in fiscal years 2002 and 2003. The University has recorded the swaps at their estimated fair values as of June 30, 2024. Swaps A through D are deemed cash flow hedges and, therefore, in addition to recording the liability at fair value, the University has recorded an offsetting deferred outflow of resources. Annually, the changes to the fair values are recorded as an increase or decrease to the liability and the offset to the deferred outflow of resources. The fair value change in fiscal year 2024 for the hedge instruments was a $225 thousand decrease to the liability and an equal offsetting increase to the deferred outflow of resources. Swaps E and F are not cash flow hedges, but rather are considered investment swaps, and changes in their fair value are recorded as investment gain (loss). The fair value change for swaps E and F as of June 30, 2024, was recorded to unrealized loss in the amount of $271 thousand.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

K. Notes Payable

The State has issued notes payable for various purposes, mainly equipment acquisition. Details of notes payable for the fiscal year ended June 30, 2024, follow:

Note Payable
Debt Service Requirements to Maturity
(Expressed in Thousands)

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 1,325	$ 179	$ 1,504
2026	1,410	138	1,548
2027	1,500	95	1,595
2028	1,595	49	1,644
Total	$ 5,830	$ 461	$ 6,291

NMSU issued a tax-exempt Subordinate Lien Improvement Revenue Note, Series 2014 on April 21, 2014 in a direct purchase with BOKF, NA dba Bank of Albuquerque. The original principal amount of the note was $15.9 million, and the interest rate is 3.07%. The note is payable solely from, and secured by, a pledge of, and a nonexclusive subordinate lien on the following revenues: student tuition and fees; sales and service revenue; other operating revenue; investment income; and building fees. The note matures April 1, 2029.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units

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

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

Bond Series	Interest Rate (%)	Maturity Date	Original Issue	Balance June 30, 2024
Public Project Revolving Fund - Senior Lien:				
2014 B	3.0 - 5.0	2023 - 2035	$ 58,235	$ 17,075
2015 B - C	2.3 - 5.0	2023 - 2045	90,800	64,600
2016 A - F	2.0 - 5.0	2023 - 2046	315,540	156,800
2017 A - E	3.0 - 5.0	2023 - 2038	138,130	73,915
2018 A - D	2.5 - 5.0	2023 - 2038	200,170	114,770
2019 B - D	3.0 - 5.0	2023 - 2041	97,130	73,715
2020 A - B	2.0 - 5.0	2023 - 2041	113,305	76,525
2021 A - C	3.0 - 5.0	2023 - 2041	83,145	62,145
2022 A - C	2.8 - 5.0	2023 - 2042	186,285	164,655
2023 A-1, 2	5	2024 - 2053	75,775	70,300
2023 B	5	2024 - 2048	162,480	160,605
Subtotal			1,520,995	1,035,105
Public Project Revolving Fund - Subordinate Lien:				
2014 A-1, 2	3.3 - 5.0	2023 - 2034	31,940	9,385
2015 A, D	3.0 - 5.0	2023 - 2035	92,745	37,130
2017 B - F	2.6 - 5.0	2023 - 2036	128,725	32,400
2018 C - E	3.2 - 5.0	2024 - 2039	102,780	71,545
2019 A - C	2.3 - 5.0	2023 - 2039	68,555	47,240
2020 C-1 & C-2	0.4 - 5.0	2023 - 2050	96,820	71,245
2021 B	4.0 - 5.0	2023 - 2032	31,305	25,400
2024 A	5.0	2024 - 2048	49,890	48,520
Subtotal			602,760	342,865
Total Public Project Revolving Fund and Total Bonds Outstanding			$ 2,123,755	1,377,970
Add: Net Unamortized Premium				194,322
Total Bonds Payable				$ 1,572,292
Current Portion				$ 142,110

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units (Continued)

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

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

Bond Series	Interest Rate (%)	Maturity Date	Balance, September 30, 2024
Single Family Mortgage Programs:			
Series 2013 A - C	2.2 - 4.5	2043	$ 20,929
Series 2014 A - B	2.8 - 5.0	2044	5,255
Series 2015 A - E	2.6 - 4.0	2045	18,660
Series 2016 A - C	1.6 - 3.8	2046	43,140
Series 2017 A - B	1.8 - 3.8	2048	30,240
Series 2018 A - D	2.2 - 4.3	2049	111,605
Series 2019 A - F	1.4 - 4.3	2050	229,515
Series 2020 A - B	0.4 - 3.5	2051	92,190
Series 2021 A - C	0.2 - 3.0	2052	256,793
Series 2022 A - E	0.4 - 6.3	2053	364,511
Series 2023 A - D	2.5 - 5.8	2054	356,705
Series 2024 A - F	3.2 - 6.3	2055	393,905
Subtotal			1,923,448
Unaccreted Bond Premium/ Discount, Net			57,257
Total Bonds Payable			$ 1,980,705

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units (Continued)

Annual debt service requirements to maturity are as follows:

New Mexico Mortgage Finance Authority
Notes Payable
(Expressed in Thousands)

Note	Balance September 30, 2024
PRLF Cash and Loans	$ 2,086
Jefferson Building	7,123
Securities and Loans Held for Sale	57,000
Subtotal	66,209
Other Direct Borrowings Without Assets Pledged	-
Total Direct Borrowings	$ 66,209

Debt Service Requirements to Maturity
(Expressed in Thousands)

Fiscal Year Ending Septemer 30,	Principal	Interest	Total
2025	$ 57,846	$ 600	$ 58,446
2026	876	283	1,159
2027	908	249	1,157
2028	941	215	1,156
2029	976	178	1,154
2030 - 2034	4,022	328	4,350
2035 - 2039	371	25	396
2040 - 2044	269	6	275
Total	$ 66,209	$ 1,884	$ 68,093

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

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

Details of the Mortgage Finance Authority Notes Payable follows:

Bonds Payable
Debt Service Requirements to Maturity

Fiscal Year Ending September 30,	New Mexico Finance Authority *(Expressed in Thousands)* Principal	Interest	Total	New Mexico Mortgage Finance Authority *(Expressed in Thousands)* Principal	Interest	Total
2025	$ 142,110	$ 62,785	$ 204,895	$ 42,639	$ 77,372	$ 120,011
2026	116,135	56,035	172,170	36,520	76,098	112,618
2027	118,265	50,548	168,813	38,060	75,007	113,067
2028	110,595	44,980	155,575	39,415	73,825	113,240
2029	100,360	40,038	140,398	40,795	72,554	113,349
2030 - 2034	420,440	135,900	556,340	235,530	340,041	575,571
2035 - 2039	229,705	56,838	286,543	309,447	289,680	599,127
2040 - 2044	91,900	21,456	113,356	434,893	219,190	654,083
2045 - 2049	37,870	7,455	45,325	436,445	129,435	565,880
2050 - 2054	10,590	1,294	11,884	309,340	36,685	346,025
2055 - 2059	-	-	-	364	11	375
Subtotal	1,377,970	477,329	1,855,299	1,923,448	1,389,898	3,313,346
Unamortized Premium	194,322	-	194,322	47,372	-	47,372
Total	$ 1,572,292	$ 477,329	$ 2,049,621	$ 1,970,820	$ 1,389,898	$ 3,360,718

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

L. Discretely Presented Component Units (Continued)

Bonds Payable, Lease Liabilities, and Subscription Liabilities
Debt Service Requirements to Maturity

New Mexico State Chartered Schools
(Expressed in Thousands)

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 31,801	$ 12,623	$ 44,424
2026	14,706	11,408	26,114
2027	17,197	10,672	27,869
2028	8,908	10,101	19,009
2029	8,960	9,724	18,684
2030 - 2034	50,623	42,654	93,277
2035 - 2039	34,316	37,534	71,850
2040 - 2044	40,259	20,466	60,725
2045 - 2049	34,322	7,584	41,906
2050 - 2054	10,138	684	10,822
Total	$ 251,230	$ 163,450	$ 414,680

NOTE 9 NET POSITION AND FUND EQUITY

A. Governmental Fund Balances

Fund balances of governmental funds are classified as:

- *Nonspendable* – amounts that cannot be spent because they are not in a spendable form (not expected to be converted to cash) or are legally required to be intact. Examples include inventories and permanent fund principal.
- *Restricted* – amounts where legally enforceable constraints are imposed by an external party such as a grantor, by the State Legislature, or by the constitution at the same time the revenue is created.
- *Committed* – amounts where constraints are imposed by formal action of the government's highest level of decision-making authority, the State Legislature or the Governor, which cannot be used for any other purpose unless the constraint is changed by similar action. These constraints are imposed separately from the creation of the revenue.
- *Assigned* – amounts where constraints are imposed on the use of resources through the intent made by any level of decision-making authority in the government if the governing body has expressly delegated that authority to the official or to a committee.
- *Unassigned* – the residual amount after all classifications have been considered. The General Fund is the only fund that reports a positive unassigned fund balance.

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

A. Governmental Fund Balances (Continued)

A summary of the nature and purpose of governmental fund balances, by fund type, at June 30, 2024, follows (expressed in thousands):

	General Fund	Severance Tax	Land Grant	Debt Service	Capital Projects	Children's Trust	Total
Nonspendable:							
Prepaid Expenses	$ 6,570	$ -	$ -	$ -	$ -	$ -	$ 6,570
Inventories	42,401	-	-	-	-	-	42,401
Other	15,104	-	-	-	-	2,000	17,104
Total Nonspendable	$ 64,075	$ -	$ -	$ -	$ -	$ 2,000	$ 66,075
Restricted:							
Capital Projects	$ -	$ -	$ -	$ -	$ 5,008,094	$ -	$ 5,008,094
Culture, Recreation, and Natural Resources	562,769	-	-	2,063	-	-	564,832
Education	550,309	-	-	-	-	-	550,309
General Control	14,423,435	9,746,944	32,093,101	995,192	-	-	57,258,672
Health and Human Services	293,680	-	-	-	-	6,437	300,117
Highway and Transportation	808,773	-	-	13,989	-	-	822,762
Judicial	66,576	-	-	3,343	-	-	69,919
Legislature	24,614	-	-	-	-	-	24,614
Public Safety	195,928	-	-	-	-	-	195,928
Regulation and Licensing	382,252	-	-	33,329	-	-	415,581
Total Restricted	$ 17,308,336	$ 9,746,944	$ 32,093,101	$ 1,047,916	$ 5,008,094	$ 6,437	$ 65,210,828

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

A. Governmental Fund Balances (Continued)

	General Fund	Severance Tax	Land Grant	Debt Service	Capital Projects	Children's Trust	Total
Committed:							
Culture, Recreation, and Natural Resources	$ 1,021	$ -	$ -	$ -	$ -	$ -	$ 1,021
Education	20,078	-	-	-	20	-	20,098
General Control	11,212	-	-	-	-	-	11,212
Health and Human Services	165,115	-	-	-	-	2,500	167,615
Regulation and Licensing	21,880	-	-	-	-	-	21,880
Total Committed	$ 219,306	$ -	$ -	$ -	$ 20	$ 2,500	$ 221,826
Assigned:							
Health and Human Services	$ 161,167	$ -	$ -	$ -	$ -	$ -	$ 161,167
Judicial	1,573	-	-	-	-	-	1,573
Regulation and Licensing	6,267	-	-	-	-	-	6,267
Total Assigned	$ 169,007	$ -	$ -	$ -	$ -	$ -	$ 169,007
Unassigned:							
Capital Projects	$ -	$ -	$ -	$ -	$ (8,561)	$ -	$ (8,561)
Culture, Recreation, and Natural Resources	(26,686)	-	-	-	-	-	(26,686)
Debt Service	-	-	-	(7,996)	-	-	(7,996)
Education	2,509	-	-	-	-	-	2,509
General Control	588,823	2	(2)	-	-	-	588,823
Health and Human Services	(73,184)	-	-	-	-	2	(73,182)
Highway and Transportation	(42,567)	-	-	-	-	-	(42,567)
Judicial	4,489	-	-	-	-	-	4,489
Legislature	8,561	-	-	-	-	-	8,561
Public Safety	(36,765)	-	-	-	-	-	(36,765)
Regulation and Licensing	18,355	-	-	-	-	-	18,355
Total Unassigned	$ 443,535	$ 2	$ (2)	$ (7,996)	$ (8,561)	$ 2	$ 426,980

NOTE 9 NET POSITION AND FUND EQUITY (CONTINUED)

B. Deficit Net Position/ Fund Equity

Governmental Activities

There were no deficit overall fund balances to report for the fiscal year ended June 30, 2024.

C. Correction of an Error in Previously Issued Financial Statements

1. Unemployment Insurance Fund

During the fiscal year ended June 30, 2024, the State determined that errors in accounting for certain transactions had been made in prior fiscal year for the Unemployment Insurance Fund. The effect of the corrections follows (expressed in thousands):

Summary of Adjustments, Net Position/Fund Balance

Business-Type Activities, Educational Institutions:		
Nonmajor Business-Type Funds		
Unemployment - Understated Taxes Receivable	$	46,357
Unemployment - Overstated Claims Payable		14,609
Unemployment - Understated Federal Receivable		864
Unemployment - understated CWC liability		(61)
Total Business-Type Fund Adjustments	$	61,769

The following schedule reconciles June 30, 2024, net position/fund balance previously reported to beginning Net Position/fund balance, as reported in the accompanying financial statements (expressed in thousands):

Net Position/Fund Balance Adjustments

	Net Position - Business-Type Activities	Educational Institutions	Nonmajor Enterprise
Business-Type Activities:			
Beginning Net Position, as Previously Reported	$ 1,934,108	$ 897,657	$ 1,036,451
Adjustments	61,769	-	61,769
Beginning Net Position, After Adjustments	$ 1,995,877	$ 897,657	$ 1,098,220

NOTE 10 RISK MANAGEMENT

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through its Internal Service Fund (ISF). Coverage is provided for the following:

- Workers' Compensation
- Civil Rights and Foreign Jurisdiction
- Aircraft
- Money and Securities
- Health and Life
- General Liability
- Automobile
- Property
- Employee Fidelity Bond
- Short-Term and Long-Term Disability

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through Enterprise Funds within the Risk Management Division (RMD) of the General Services Department. The RMD services all claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, employee health and accident, and unemployment compensation. The Department has coverage for general liability and civil rights claims through the Public Liability Fund administered by the State of New Mexico's Risk Management Division. The dollar amount "limits" of the insurance coverage are the damages caps set forth in the Tort Claims Act, NMSA Section 41-4-19, which may be amended from time to time by the legislature. All funds, agencies, and authorities of the State participate in Risk Management. Risk Management allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority based on claims history and exposure of each participant. The charge considers recent trends in actual claims experience of the State as a whole and makes provision for catastrophic losses.

ISF fund liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Total insurance claims payable at June 30, 2024, were $478 million. The amounts of the liabilities are determined by independent actuarial consultants to the ISF. The total liability is shown in the accompanying financial statements at the present value of the payments, computed at 2% annual rate, between June 30, 2024 and the date the claims are ultimately expected to be paid.

NOTE 10 RISK MANAGEMENT (CONTINUED)

Insurance claims payable presented are actuarial computed estimates of the costs of administering, defending, and settling claims for events that had occurred as of the year-end. Since these estimates are based on historical information and various statistical measures, actual amounts paid may vary significantly from the amount estimated by the fund actuaries and reported herein. The basis of estimating the liabilities for unpaid claims is found in the independent actuarial report.

The following shows the reconciliation of changes in the unpaid claims in the ISF, which are stated at present value (expressed in thousands):

	Beginning Balance	Incurred (Net of Actuarial Provision)	Payments	Ending Balalnce	Current Amount Due
State Unemployment	$ 3,986	$ 4,168	$ (4,322)	$ 3,832	$ 3,832
Local Public Body	876	690	(743)	823	824
Public Property Reserve	5,139	8,712	(6,244)	7,607	6,401
Public Liability	114,320	296,595	(52,363)	358,552	162,458
Surety Bond	3	1	-	4	2
Workers' Compensation	59,287	11,794	(13,627)	57,454	13,381
Group Insurance Premium	52,327	448,651	(451,241)	49,737	49,737
Total	$ 235,938	$ 770,611	$ (528,540)	$ 478,009	$ 236,635

It is possible that other claims against ISF may exist but have not been asserted.

NOTE 11 PENSION PLANS

A. Plan Descriptions

The State maintains five public employees' retirement systems (Systems): four separate systems are administered by the New Mexico Public Employees' Retirement Association (PERA) and one system is administered by the New Mexico Educational Employees' Retirement Board (ERB).

NOTE 11 PENSION PLANS (CONTINUED)

A. Plan Descriptions (Continued)

PERA is the administrator of the Public Employees Retirement System (PERS), the Judicial Retirement System (JRS), the Magistrate Retirement System (MRS), and the Volunteer Firefighter Retirement System (VFRS). ERB is the administrator of the Educational Employees Retirement System (EERS). Collectively, the Systems offer an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. The laws governing the administration of the Systems are set forth in Chapter 10, NMSA 1978, and applicable Replacement Pamphlets.

PERA is directed by the Public Employees Retirement Board (Board), which consists of 12 members. Ten of the Board members are elected by PERA active and retired members under state and municipal coverage plans. Two Board members, the Secretary of State and the State Treasurer, are ex-officio members.

PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, 33 Plaza la Prensa, Santa Fe, NM 87507.

ERB is directed by the Educational Retirement Board, composed of seven members. Board members include:

- Secretary of Public Education, who is appointed by the Governor;
- State Treasurer;
- One member elected by the membership of the NM Association of Educational Retirees;
- One member elected by the membership of the National Education Association of New Mexico;
- One member elected by the membership of the American Association of University Professors;
- Two members appointed by the Governor

The ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERB, PO Box 26129, Santa Fe, New Mexico 87502.

NOTE 11 PENSION PLANS (CONTINUED)

A. Plan Descriptions (Continued)

The number of participating government employers, and the number of members for each system for the year ended June 30, 2024, were (not in thousands):

	PERS*	JRS	MRS	VFRS	EERS
Number of Employers					
State Agencies	122	16	12	363	11
Cities, Towns, Villages	98	-	-	-	-
Counties	33	-	-	-	-
Public Schools	-	-	-	-	89
Universities and Colleges	-	-	-	-	16
Special Schools	-	-	-	-	4
Charter Schools	-	-	-	-	100
Other	63	-	-	-	-
Total	316	16	12	363	220
Retirees and Beneficiaries Receiving Benefits	44,115	204	111	1,642	54,774
Terminated Plan Members not yet Receiving Benefits	26,846	49	18	316	54,756
Active Plan Members	46,901	131	62	7,711	61,503

* Note: PERA Retirement Fund includes the Legislative Fund

B. Funding and Benefit Policies

Public Employees Retirement System (PERS)

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

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Public Employees Retirement System (PERS) (Continued)

Senate Bill 72:

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

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

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

Cost-of-living adjustment (COLA)

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

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Public Employees Retirement System (PERS) (Continued)

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

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

CHANGES FOR RETIREES

Cost-of-living adjustment (COLA)

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

CHANGES FOR RE-EMPLOYED RETIREES

Cost-of-living adjustment (COLA)

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

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

State Legislative Fund

This plan is a defined benefit pension plan which is accounted for in PERS. Eligibility for membership in the State Legislative Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, Section 43 and 43.5, NMSA 1978). State Legislators and lieutenant governors must elect to be a member no later than 180 days after first taking office to be covered under this plan. Member contributions are $500 for each year of service credit prior to the 2012 legislative session and $600 for each year beginning with the 2012 legislative session. Legislative service credit is earned each calendar year during which the member fulfills the obligations of the position of the legislator for more than six months of the calendar year, including the legislative session. Legislators are not required to make a member contribution until after the legislative session has ended and after PERA verifies services credit. PERA invoices legislative members to cover member contributions for each legislative session after the session ends, which is normally July or August. State funding for the State Legislative Fund is defined in Sections 10-11-43 and 10-11-43.5, NMSA 1978. The State is required to contribute sufficient amounts to finance the membership of members under State Legislator Coverage Plan 2 on an actuarial reserve basis. The total actuarially determined amount for the State Legislative Fund for the fiscal year ended June 30, 2018 was $-0-. Regarding the source of funding, Section 7 -1-6.43 of the Tax Administration Act states “A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars ($200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year.” During the State of New Mexico (53rd Legislature) in 2017, House Bill 2 was passed that reduced the State’s distribution to the legislative retirement fund from $75,000 a month to $-0- a month.

Age and service requirements for retirement are age 65 or older with five or more years of service credit or any age with 10 or more years of service credit. Legislative members who meet retirement eligibility requirements receive annual pensions equal in any calendar year to 11% of the per diem rate in effect on the first day of the calendar year that the member retires multiplied by 60 and further multiplied by credited service. The per diem rate starting January 1, 2018 is $165.

Effective 2019 the annual contribution amount under Legislative Retirement Plan 2 the amount increases to $1,000 per Senate Bill 307.

Cost-of-living adjustment (COLA) is made to eligible retirees and beneficiaries. Retirees of the Legislative fund receive a COLA yearly after retirement of two full-calendar years (January 1 through December 31) subject to certain conditions. The 2% COLA will be effective July 1 of the following year after the two full-calendar years and will be compounded for each fiscal year thereafter. The COLA for disabled retired members making less than $20,000 and members that make less than $20,000 and have 25 years of service credit will be 2.5%.

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Judicial Retirement Fund

This plan is a single employer defined benefit pension plan. Eligibility for membership in the Judicial Retirement Fund is set forth in Chapter 10-12B-4, NMSA 1978. Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Judicial Retirement plan.

For individuals that became a member prior to July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 2005, is determined as 75% of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For individuals that become a member after July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 55 to anyone having served at least 16 years.

For those individuals who became members subsequent to July 1, 2005, the annual pension amount is determined as 75% of salary received during the last year in office prior to retirement multiplied by 5% of the number of years in service, not exceeding 15 years, plus five years or one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of 3.75% times the sum of the number of years of service; provided that a pension calculated shall not exceed 75% of one-twelfth of the salary received during the last year in office.

The retirement age and service credit requirements for normal retirement for judicial members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 33 Substitute in the 2014 Legislative Session. Under the new requirements, judicial members are eligible to retire at age 65 with eight or more years of service or at age 60 with 15 or more years of service credit.

Effective July 1, 2014, judicial membership is mandatory, all judicial pension factors were reduced, employee and employer contributions increased 3% and the computation of final average salary increased as the average of salary for the 60 consecutive months. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded. Suspends the COLA for judges and magistrates if the Funds' funded ratios fall below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years.

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Judicial Retirement Fund (Continued)

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

Magistrate Retirement Fund

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

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

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

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Magistrate Retirement Fund (Continued)

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

Volunteer Firefighters Retirement Fund

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

Educational Employees' Retirement System (EERS)

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

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

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

Plan members whose annual salary is $24,000 or less are required by statute to contribute 7.9% of their gross salary. For plan members whose annual salary is over $24,000, they are required to contribute 10.7% of their gross salary to the plan in fiscal year 2021 and thereafter. Employers are required to contribute 14.15% of gross covered salaries in fiscal year 2020 and thereafter. The statutory contribution requirements can be changed by the State Legislature.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least 65 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55 and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits.
- The member's age is 67 and has earned five or more years of service credit.

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

Section 2-11-23.3, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2019. These members must meet one of the following requirements:

- The member is any age and has 30 years of earned service credit.
- The member is at least 67 years of age and has five or more years of earned service credit.
- The sum of members' age and years of earned service credit equals at least 80.

Forms of Payment - The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump-sum to the member's surviving beneficiary.

Benefit Options - There are three benefit options available:

Option A – Straight Life Benefit. The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.

Option B – Joint 100% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

Option C – Joint 50% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

Cost-of-Living Adjustment (COLA) – All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3 and Tier 4):

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013, but prior to July 1, 2019
- Tier 4 membership is comprised of employees who became members on or after July 1, 2019

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

Disability Benefit

Eligibility - A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by the Board.

Monthly Benefit - The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times years of service projected to age 60.

Form of Payment - The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump-sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

NOTE 11 PENSION PLANS (CONTINUED)

B. Funding and Benefit Policies (Continued)

Educational Employees' Retirement System (EERS) (Continued)

Disability Benefit (Continued)

Refund of Contributions - Members may withdraw their contributions only when they terminate covered employment in the State and certification of termination has been provided by their former employers. Interest paid to members when they withdraw their contributions following termination of employment is at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or contributions held for less than one year.

Alternative Retirement Plan - Effective October 1991, the New Mexico legislature established an Alternative Retirement Plan (ARP) through the enactment of ERA Sections 22-11-47 through 52 NMSA 1978 to provide eligible employees an election to establish an alternative retirement investment plan. In contrast to the defined benefit plan administered by NMERB, the ARP is a defined contribution plan. NMERB is the trustee of the ARP which is administered by two third party contractors for NMERB. The administrators approved to offer ARP plans to eligible participants are Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA- CREF), and Fidelity Investments.

These administrators have the authority to perform record keeping, enrollment education services, and other administrative duties for the ARP. The administrators are delegated any and all powers as may be necessary or advisable to discharge their duties under the ARP and have certain discretionary authority to decide matters under the ARP. As the ARP trustee NMERB is responsible for selecting investment options that provide a prudent rate of return, and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset)

The total pension liability, net pension liability, and certain sensitivity information presented on the next page are based on an actuarial valuation performed as of June 30, 2023. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2024. The net pension liability of each plan as of June 30, 2024, is as follows:

Public Employees Retirement Association and Education Retirement Board
Net Pension Liability, By Fund
(Expressed in Thousands)

	PERA-Public Employees Retirement System	PERA-Judicial Retirement System	PERA-Magistrate Retirement System	PERA-Volunteer Firefighters Retirement System	ERB-Educational Employees Retirement System
Total Pension Liability	$ 26,323,061	$ 237,124	$ 73,994	$ 53,126	$ 26,286,205
Plan's Fiduciary Net Position	(17,372,001)	(116,500)	(33,184)	(85,426)	(17,498,210)
Net Pension Liability (Asset)	$ 8,951,060	$ 120,624	$ 40,810	$ (32,300)	$ 8,787,995
Percentage of Fiduciary Net Position to Total Pension Liability	66.00 %	49.13 %	44.85 %	160.80 %	66.57 %

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2024. These assumptions were adopted by the Board for use in the June 30, 2023 actuarial valuation.

	PERS	JRS	MRS	VFRS	EERS
Valuation Date	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay	Level Percent of Pay, Open	Level Percent of Payroll, Open	Level Dollar, Open	Closed 30-Year Period, Amortization. Level Percent of Payroll
Amortization Period	25 Years	25 Years	25 Years	25 Years	Closed 30 Years
Asset Valuation Method					5-Year Smoothed Market
Actuarial Assumptions:					
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%	7%
Payroll Growth	3.00%	3.00%	3.00%	N/A	-
Projected Salary Increases	3.25%-13.50%	3.25 %	3.25 %	N/A	2.30% Inflation, plus .70% Prod, Inc.
Includes Inflation At	2.50%	2.50%	2.50%	2.50%	2.30 %
Mortality Assumption	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25 %	5.54 %	5.84 %	7.25 %	7.00 %
Municipal Bond Rate	-	3.97 %	3.97 %	-	-

All percentages are stated at an annual rate.

Investment rate of return is net of investment expenses.

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

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

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

Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
PERS	$ 12,244,663	$ 8,951,060	$ 6,236,360
Single-Employer Funds:			
	(4.68%)	(5.68%)	(6.68%)
Judicial	$ 147,080	$ 120,624	$ 98,351
	(6.25%)	(7.25%)	(8.25%)
Volunteer Firefighters	$ (26,420)	$ (32,300)	$ (37,216)
	(4.82%)	(5.82%)	(6.82%)
Magistrate	$ 49,089	$ 40,810	$ 33,925
	(6.00%)	(7.00%)	(8.00%)
ERB	$ 11,805,547	$ 8,787,995	$ 6,105,755

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

PERA Asset Allocations

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

Public Employees Retirement Association
All Systems

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	46.00 %	3.90 %
Core Fixed Income	13.00	2.20
Credit	17.00	2.30
Absolute Return	6.00	2.60
Real Assets	18.00	5.90
Total	100.00 %	

ERB Asset Allocations

ERB's investment allocation policy is periodically reviewed and amended by the Board of Trustees, as needed. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocations as well as the policy adopted on December 2022:

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

ERB Asset Allocations

Schedule of Asset Allocation Versus Policy Targets

	Allocation	Policy Target[1]
Equities:		
Domestic Equities:		
Large Cap	13.6 %	15.0 %
Small-Mid Cap	3.2	4.0
International Equities:		
Developed	4.4	5.0
Emerging Markets	4.5	4.0
Total Equities	25.7	28.0
Fixed Income:		
Core Fixed Income	4.8	6.0
Opportunistic Credit	16.9	18.0
Total Fixed Income	21.7	24.0
Alternatives:		
Real Estate - REITS	0.9	-
Private Real Estate	8.3	8.0
Private Equity	22.4	17.0
Global Asset Allocation	1.7	2.0
Inflation-Linked Assets	11.3	12.0
Other	6.3	8.0
Total Alternatives	50.9	47.0
Cash	1.7	1.0
Total	100.0 %	100.0 %

1. Long-Term Policy Target approved by the Board on December 2022.
2. Allocations shown here include cash held in separately managed portfolios.

NOTE 11 PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset) (Continued)

Rate of Return

Disclosure of the annual money-weighted return is a requirement of GASB 67. It incorporates both the size and timing of cash flows to determine an internal rate of return and expresses investment performance adjusted for the changing amounts actually invested. The requirements of the calculation are listed below.

- The rate is computed net of investment expenses, but not net of administrative expenses.
- External cash flows used as inputs should be determined on at least a monthly basis.
- Cash flows should be determined on an accrual basis of accounting.
- Cash-flow weighting should be representative of the Plan's actual external cash flow timing.

For the year ended June 30, 2024, the annual money-weighted rate of return on the PERA pension plan investments net of investment expense was 8.049%. For the ERB pension plan, it was 8.649%.

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

State – Funded Divisions of PERA

For the fiscal year ended June 30, 2024, the State Funded Divisions of PERA were composed of State General, State Police, and Legislative. The measurement date used by the State was June 30, 2023.

1. Contributions

As stated earlier in this note, the contribution requirements of the plan members and the State are established in the state statute. Statutorily required contributions from the State to the State funded divisions of the pension plan were $290 million for the fiscal year ended June 30, 2024.

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The State-Funded Divisions of PERA reported net pension liabilities as follows (expressed in thousands):

Division	Net Pension Liability
State General	$ (4,394,643)
State Police	293,541
Legislative	5,665
Total	$ (4,095,437)

NOTE 11 PENSION PLANS (CONTINUED)

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

State – Funded Divisions of PERA (Continued)

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The net pension liability is further segregated in the following amounts in governmental and business-types (expressed in thousands):

Governmental Activities (Including Internal Service Funds)	$ 4,006,928
Business-Type Activities (Including Nonmajor Enterprise Funds and Two Educational Institutions)	88,509
Total	$ 4,095,437

At June 30, 2024, the State's total proportion of the PERA State Funded Divisions net pension liability was 50.6%. Total contributions for State Funded Divisions were $250 million, $40 million, and $-0- for the three divisions respectively. Pension expense (income) was $493 million, $27.5 million, and $1.8 million respectively.

Single-Employer Funds

The State contributes 100% of the contributions to three single-employer funds in the PERA System. They are the Judicial, Magistrate, and Volunteer Firefighters Retirement Funds. The measurement date used by the State was June 30, 2023 (expressed in thousands).

	Judicial	Volunteer Firefighters	Magistrate
Net Pension Liability (Asset)	$ 109,880	$ (28,176)	$ 40,719

1. Contributions

Contributions from the State to the PERA Judicial, Magistrate Retirement, and Volunteer Firefighter funds were $6.7 million, $2.6 million, and $.75 million, respectively, for the year ended June 30, 2024.

NOTE 11 PENSION PLANS (CONTINUED)

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

Single-Employer Funds (Continued)

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The State reported liabilities of $110 million and $41 million for the net pension liabilities of the Judicial and Magistrate Retirement Funds, respectively, which were 100% of the proportionate share. For the year ended June 30, 2024, the State recognized $7 million as pension expense for the Judicial Retirement Funds. Also, for the year ended June 30, 2024, the State recognized $7.7 million as pension expense for the Magistrate Retirement Fund, respectively.

The Volunteer Firefighters Retirement Fund reported a plan net asset of $28.2 million. Therefore, in accordance with accounting guidance, the positive net position is reported as a net pension asset in the financial statements. Pension income was $1.2 million.

At June 30, 2024, these plans reported deferred outflow of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Governmental		Business-Type	
PERA - State-Funded and Single-Employer Funds (Judicial and Magistrates Funds)	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	$ 95,602	$ (87,510)	$ 1,694	$ (1,874)
Changes of Assumptions	11,771	(2,332)	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	262,192	-	5,151	-
State Contributions Subsequent to Measurement Date	293,567	-	5,774	-
Total	$ 663,132	$ (89,842)	$ 12,619	$ (1,874)

The amounts of $294 million for governmental activities and $6 million for business-type activities, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2023, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Governmental		Business-Type	
Year Ending June 30,	Amount	Year Ending June 30,	Amount
2025	$ 113,941	2025	$ 2,025
2026	(60,648)	2026	(1,078)
2027	202,445	2027	3,597
2028	23,985	2028	427
2029	-	2029	-
Thereafter	-	Thereafter	-

NOTE 11 PENSION PLANS (CONTINUED)

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

Single-Employer Funds (Continued)

2. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows and inflows of resources are presented separately for the Volunteer Firefighter's Fund because this fund reports a positive net position (expressed in thousands).

	Governmental	
Volunteer Firefighter's Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	$ -	$ (7,772)
Changes of Assumptions	118	(1,001)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,824	-
State Contributions Subsequent to Measurement Date	750	-
Total	$ 3,692	$ (8,773)

The amount of $.75 million, reported as deferred outflows of resources related to pensions resulting from the State's contributions subsequent to the measurement date June 30, 2023, will be recognized as a reduction of the respective net pension liability in the following fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ending June 30,	Amount
2025	$ (1,072)
2026	(2,212)
2027	425
2028	(1,333)
2029	(1,291)
Thereafter	(348)

E. Employer Reporting – Educational Retirement Board (ERB)

1. Contributions

As stated earlier in this note, the contribution requirements of ERB plan members and the State are established in state statute. Contributions for the fiscal year ended June 30, 2024, from the State to the ERB were $1.7 million for governmental activities and $199 million from the 12 educational institutions reported as business-type activities.

NOTE 11 PENSION PLANS (CONTINUED)

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

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2022. Therefore, the employer's portion was established as of the measurement date June 30, 2023. On June 30, 2024, the State reported a liability of $20 million for its proportionate share of the net pension liability covering state employees in governmental activities, and $2.2 billion for the collective proportionate share of the 12 educational institutions reported as business-type activities. At June 30, 2023, the proportion was .2323% for governmental activities and 25.6251% for business-type activities. The State's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2023. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

For the year ended June 30, 2024, the State recognized pension income of $4.3 million in governmental activities and $355 million in business-type activities. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Governmental		Business-Type	
ERB Fund	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	$ 572	$ (182)	$ 63,076	$ (20,121)
Changes of Assumptions	-	(2,993)	-	(330,238)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(127)	-	(13,940)
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	-	(2,606)	6,468	(81,061)
State Contributions Subsequent to Measurement Date	1,740	-	199,488	-
Total	$ 2,312	$ (5,908)	$ 269,032	$ (445,360)

Contributions made subsequent to the measurement date will reduce the net pension liability for the next fiscal year.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Governmental		Business-Type	
Year Ending June 30,	Amount	Year Ending June 30,	Amount
2024	$ (4,139)	2024	$ (365,513)
2025	(1,645)	2025	(88,097)
2026	429	2026	75,724
2027	19	2027	2,070
2028	-	2028	-
Thereafter	-	Thereafter	-

NOTE 11 PENSION PLANS (CONTINUED)

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

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

	Net Pension Asset	Net Pension Liability
Governmental Activities:		
PERA - State Divisions	$ -	$ 4,006,928
PERA - Judicial	-	109,880
PERA - Magistrate	-	40,719
PERA - Volunteer Firefighters	(28,176)	-
ERB	-	20,171
Total Governmental Activities	(28,176)	4,177,698
Business-Type Activities :		
PERA - State Divisions	-	88,509
ERB	-	2,225,358
Total Business-Type Activities	-	2,313,867
Component Units		329,820

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
PERA - State Divisions, Judicial and Magistrate	$ 663,131	$ (89,843)
PERA - Volunteer Firefighters	3,692	(8,773)
ERB	2,312	(5,908)
Total Governmental Activities	669,135	(104,524)
Business-Type Activities :		
PERA - State Divisions	12,621	(1,873)
ERB	269,033	(445,360)
Total Business-Type Activities	281,654	(447,233)
Component Units	99,839	(62,011)

F. Discount Rates and Sensitivity Analysis

Discount Rate for the PERA, Volunteer Firefighter, Magistrate and Judicial Funds

Previously, a select and ultimate rate of return assumption had been adopted for funding purposes, but new economic assumptions were adopted for the June 30, 2023 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

NOTE 11 PENSION PLANS (CONTINUED)

F. Discount Rates and Sensitivity Analysis (Continued)

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

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

ERB

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

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

NOTE 11 PENSION PLANS (CONTINUED)

F. Discount Rates and Sensitivity Analysis (Continued)

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

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

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

Net Pension Liability	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
State Employees (Governmental Activities)	$ 27,421	$ 20,171	$ 14,182
Educational Institution Employees (Business-Type Activities)	3,025,184	2,225,358	1,564,607
Total Primary Government- ERB	$ 3,052,605	$ 2,245,529	$ 1,578,789

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

In addition to pension benefits as described in Note 11, the State provides other postemployment benefits (OPEB). The following is in accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. Plan Description (Continued)

The New Mexico Retiree Health Care Authority (RHCA) was formed February 13, 1990 under the New Mexico Retiree Health Care Act (the Act), Chapters 10-7C-1 to 10-7C-19, NMSA 1978, to administer the retiree health care fund which was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents, and surviving spouses) who have retired or will retire from public service in New Mexico. The Retiree Health Care Act established a cost-sharing, multiemployer defined benefit postemployment health care plan (the Plan) that provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Act created a governing board composed of 11 members (a 12th member was added through an amendment). RHCA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to RHCA, 6300 Jefferson Street NE, Suite 150, Albuquerque, NM 87109.

The legislation establishing RHCA specifically did not intend to create formal trust relationships among the participating employees, retirees, employers, and RHCA administering the Act. However, the substantive plan created by the Act contains all requisite elements to be considered as the equivalent of a trust arrangement. These elements include irrevocable contributions to the Plan, plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the Plan, and plan assets are legally protected from creditors of employers or the Plan administrator. Additionally, there is no provision for a participating government entity to withdraw membership, and all risks and costs including benefit costs are shared and are not attributed individually to employers, and a single contribution rate applies to employers. RHCA received a legal opinion that the manner of legal organization of RHCA is substantially equivalent to a trust. As such, RHCA was required to apply GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans,* which was implemented by the State effective for fiscal year ending June 30, 2018. The net position of the RHCA is reported as restricted per GASB Statement No. 46 and Chapter 10-7-C-14, NMSA 1978.

Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority, and state agencies, state courts, magistrate courts, municipalities, or counties, which are affiliated under or covered by the Educational Retirement Act, the Magistrate Retirement Act, or the Public Employees Retirement Act.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. Plan Description (Continued)

Plan Membership (Not in Thousands):	
Current Retirees and Surviving Spouses	52,978
Inactive and Eligible for Deferred Benefit	12,552
Current Active Members	93,595
Total	159,125
Active Membership:	
State General	18,462
State Police and Corrections	1,260
Municipal General	17,283
Municipal Police	3,169
Municipal Fire	2,419
ERB	51,002
Total	93,595
Total Number of Participating Employers	302

B. Single Employer Postemployment Plans

Plan Description for UNM

1. Plan Description

*T*he University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) administers the University of New Mexico Retiree Welfare Benefit Plan (VEBA Plan) – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the University. The University is the fiduciary of the VEBA Trust, and the VEBA Trust's financial statements and required supplementary information are included in the University's financial report.

Management of the VEBA Plan is vested in the VEBA Trust's VEBA Committee, which consists of nine members:

- UNM Controller or Designee
- UNM Vice President of Human Resources or Designee
- Two Faculty Appointees (appointed by the UNM President)
- Two Staff Appointees (appointed by the UNM President)
- Member of the Debt Investment Advisory Committee (ex-officio, appointed by the UNM President)
- Two UNM Presidential Appointees

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. Single Employer Postemployment Plans (Continued)

Plan Description for UNM (Continued)

2. Plan Membership

In order for a retiree of the University to be eligible for OPEB other than basic life insurance, the employee must have been hired prior to July 1, 2015 and contribute to the VEBA Trust for at least five continuous years immediately prior to retirement. If hired prior to July 1, 2013 and retiring prior to July 1, 2018, employees must continually contribute to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. Employees hired on or after July 1, 2015 are not eligible for OPEB other than basic life insurance. Contributions to the VEBA Trust are not required for the basic life insurance benefit since these benefits are not funded through the VEBA Trust.

At the valuation date of January 1, 2023 the VEBA Plan membership consisted of the following:

- Inactive plan members or beneficiaries currently receiving benefit payments 3,658, active plan members 7,417, and total plan members 11,075.

- Total active plan members include 4,333 members hired on or after July 1, 2015 who are not eligible to receive postretirement health benefits but may be eligible to receive postretirement life insurance benefits.

Plan Description for New Mexico State University

1. Plan Description

New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. This is an unfunded OPEB plan operating on a pay-as-you-go basis. The authority to establish and amend the benefit provisions rests with the Board of Regents. Retirees, who have had 10 consecutive years of health insurance coverage with the University at the time of retirement, are offered the opportunity to participate in a fully insured PPO medical plan, including prescription drugs. Medicare retirees (for retirees 65 years of age and over) are offered the opportunity to participate in a Medicare carve-out medical plan, including prescription drugs. Eligible retired employees may select a Life Insurance benefit up to $10,000. All premiums for life insurance are paid by the retiree. The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents until the retiree reaches age 70, at which time the University reduces their contribution to 30%. As of June 30, 2024, 1,298 retirees met the eligibility requirements for health insurance. Employees hired after June 30, 2016 are not offered this benefit.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. Single Employer Postemployment Plans (Continued)

Plan Description for New Mexico State University (Continued)

2. Plan Participation Percentage

The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 85% of all pre-Medicare employees and their dependents who are eligible for early retirement will participate in the retiree medical plan. It is also assumed that 80% of those enrolled in the pre-Medicare plans will continue on the plan once Medicare eligible. Lastly, it is assumed that 88% of all pre-Medicare employees who are eligible for the retiree life insurance benefit will participate, and 91% of those enrolled will continue on the plan once Medicare eligible. This assumes that a one-time irrevocable election to participate is made at retirement. Employees covered by benefit terms - At June 30, 2024, the following employees were covered by the benefit terms: Current retirees receiving benefits – 1,709 and current active members – 1,383.

Plan Description for NM Institute of Mining and Technology

1. Plan Description

The Board of Regents authorized the creation of the New Mexico Tech Employee Benefit Trust (Trust or Plan), a contributory benefit plan, to operate, control, and maintain a program to provide certain health and life insurance benefits to the employees of the Institute and their families. Retired employees may participate in the Plan. The Plan is considered a postemployment benefit plan as defined by GASB 74, *Financial Reporting for Postemployment Benefit Other than Pension Plans* which was implemented for June 30, 2020. The Trust is recorded as a fiduciary fund in the accompanying financial statements and as a blended component unit. The Board of Regents serves as trustee and has delegated the day-to-day operations of the Trust to the executive staff of the Institute. The Trustees and Institutes management have designated a third-party administrator to process the claims submitted by covered participants.

Effective January 1, 2019, the Institute is no longer using the Trust, a contributory benefit plan, to operate, control, and maintain a program to provide the health insurance benefits to the employees of the Institute and their families. The Board of Regents made a resolution approving an agreement for participating with New Mexico Public School Insurance Authority (NMPSIA), for employee health benefits for its employees, retirees, and their families. The Trust will continue to operate, control, and maintain the life insurance and flexible benefits to the employees of the Institute and their families. The Trust issues standalone audited financial statements that can be obtained by request or via the Office of the State Auditor's website at https://www.osa.nm.gov/.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

C. Funding and Benefit Policies

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years. Employees of RHCA are allowed to participate in the Plan.

The New Mexico Retiree Health Care Act (Chapter 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of $5 (not in thousands) if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from NMRHCA or viewed on their website at www.nmrhca.state.nm.us.

Contribution

The New Mexico Retiree Health Care Act (Chapter 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The contributions are set by legislation and are not based on an actuarial calculation. The Legislature periodically reviews the contribution rates pursuant to Chapter 10-7C-15, NMSA 1978.

For the fiscal year ended June 30, 2024, for regular state employees, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary.

For employees who were members of an enhanced retirement plan (state police, adult correctional officers, firefighters, and judges) during the fiscal year ended June 30, 2024, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their salary.

Current retirees are required to make monthly contributions for individual basic medical coverage. Retiree premium contribution increases are no longer limited by the Act, which the RHCA health care trend's will be the basis for any rate increases for the New Mexico basic plan of benefits. The Board may designate other plans as "optional coverages." Optional and/or voluntary coverages are not subject to the 9% cap, which expired in fiscal year 2008 per Chapter 10-7C-13, NMSA 1978.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

C. Funding and Benefit Policies (Continued)

Contribution (Continued)

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operations or participation in the Plan. The employer, employee and retiree contributions are required to be remitted to NMRHCA on a monthly basis.

D. Funding and Benefit Policies for Single Employer Plans

UNM

1. Benefits Provided

The VEBA Plan provides health, dental, and life insurance coverage to eligible retirees and their covered dependents. Eligible retirees of the University receive healthcare coverage through a self-insured medical plan, including prescription drugs, available through UNM Health, Presbyterian Health Plan, BCBS of New Mexico, and Express Scripts. Eligible Medicare retirees (for retirees 65 years of age and over) receive healthcare coverage through one of seven fully insured medical/prescription plans: Humana PPO, Aetna PPO ESA, Blue Cross Blue Shield HMO I (Enhanced), Blue Cross Blue Shield HMO II (Standard), Presbyterian HMO-POS, Presbyterian HMO-POS, and UHC AARP supplemental. Eligible retirees are also offered one of two dental insurance benefit options: Premier High Option and PPO Low Option. Basic life insurance benefits are available to retirees of the University without the requirement to opt in to the VEBA Trust. The authority to establish and amend the benefit provisions rests with the Board of Regents.

2. Contributions

The contribution requirements of VEBA Plan members and the University are established and may be amended by the Board of Regents. Retiree contributions for medical and dental insurance are required for both retiree and dependent coverage. Retirees are required to pay the full premiums less a subsidy provided by the University. Retirees 65 years of age and over are required to contribute a percentage of the premiums based on their number of VEBA service credit years. Retirees under the age of 65 are required to contribute a percentage of the premiums based on their number of VEBA service credit years and their preretirement annual salary. Benefits-eligible employees, who do not opt-out of the VEBA Trust, contribute 0.75% of their salary to the VEBA Trust in order to ensure that the health benefits continue into retirement. The University matches the 0.75% contribution made by the employee.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

NMSU

1. Funding Policy

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

NMIMT

1. Benefits Provided

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

2. Contributions

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

E. Funded Status

Investments and Fair Value Measurements

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

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

Investments and Fair Value Measurements (Continued)

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

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

Investments Measured at NAV Practical Expedient	Fair Value June 30, 2024	Redemption Frequency	Redemption Notice Period
U.S. Large Cap Index Pool	$ 278,987	4 Times Per Year	3 Months
Non U.S. Emerging Markets Index Pool	120,677	Daily	5 Business Days
Non U.S. Developed Markets Index Pool	199,771	4 Times Per Year	3 Months
Private Equity Pool	210,578	4 Times Per Year	3 Months
Private Debt Market Pool	226,315	Daily	5 Business Days
Real Estate Pool	134,576	4 Times Per Year	3 Months
U.S. Small/Mid Cap Active Pool	31,131	Daily	5 Business Days
Real Return Pool	76,743	4 Times Per Year	3 Months
Core Bond Pool	234,424	Daily	5 Business Days
Total	$ 1,513,202		

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

RHCA Asset Allocations

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

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

RHCA Asset Allocations (Continued)

The actuarial methods and assumptions for the Plan at June 30, 2024, were as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level of percent of pay, calculated on individual employee basis
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation	2.30% for ERB: 2.50% for PERA
Projected payroll increases	3.00% to 13.00% based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Discount rate	7.00%
Health Care Cost Trend Rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 8.5% graded down to 4.5% over 12 years for Medicare medical plan costs

Schedule of Annual Money-Weighted Rate of Return

Year Ended June 30,	Annual Money-Weighted Rate of Return
2024	11.47 %

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Funded Status (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocations
U.S. Core Fixed Income	20 %
U.S. Equity - Large Cap	14
Non U.S. - Emerging Markets	10
Non U.S. - Developed Equities	14
Private Equity	10
Private Debt Market	15
Real Estate	10
Real Return	5
U.S. Equity - Small/Mid Cap	2
Total	100 %

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

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

F. Net OPEB Liability

Net OPEB Liability

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

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

F. Net OPEB Liability (Continued)

Net OPEB Liability (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	$ 2,250,750	$ 1,784,800	$ 1,402,841

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

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	$ 1,379,274	$ 1,784,800	$ 2,826,241

The total OPEB liability, net OPEB liability, and certain sensitivity information presented are based on an actuarial valuation performed as of June 30, 2023. The total OPEB liability was rolled forward from the valuation date to the plan year ending June 30, 2024. The component of net OPEB liability as of June 30, 2024, is as follows:

	June 30, 2024
Total OPEB Liability	$ 3,366,767
Plan Fiduciary Net Position	(1,581,967)
Net OPEB Liability	$ 1,784,800
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.99%

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

G. Employer Reporting Net OPEB Liability – RHCA

Contributions

As stated earlier in this note, the contribution requirements of RHCA plan members and the State are established in state statute. Statutorily required contributions for the fiscal year ended June 30, 2024, from the State to the RHCA were $30.2 million for governmental activities and $3.7 million for business-type activities.

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

The total RHCA OPEB liability, net OPEB liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2021. Therefore, the employer's portion was established as of the measurement date June 30, 2022. At June 30, 2024, the State reported a liability of $400 million for its proportionate share of the net OPEB liability covering state employees in governmental activities, and $72 million for its proportionate share of the net OPEB liability covering state employees business-type activities. At June 30, 2023, the proportion was 23.88% for governmental activities and 2.75% for business-type activities. The State's proportion of the net OPEB liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2023.

For the year ended June 30, 2024, the State recognized a reduction to OPEB expense of $118 million in governmental activities and a reduction to OPEB expense of $14.8 million in business-type activities.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Governmental		Business-Type	
RHCA	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experiences	$ 6,756	$ (72,355)	$ 853	$ (9,137)
Changes of Assumptions	76,909	(376,994)	9,713	(47,609)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,545	-	1,078	-
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	2,881	(12,863)	5,783	(9,203)
State Contributions Subsequent to Measurement Date	30,299	-	3,704	-
Total	$ 125,390	$ (462,212)	$ 21,131	$ (65,949)

Contributions made subsequent to the measurement date will reduce the net OPEB liability for the next fiscal year.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Governmental		Business-Type	
Year Ending June 30,	Amount	Year Ending June 30,	Amount
2025	$ (105,867)	2025	$ (14,574)
2026	(74,924)	2026	(9,778)
2027	(97,614)	2027	(12,316)
2028	(67,052)	2028	(8,487)
2029	(21,664)	2029	(3,367)
Thereafter	-	Thereafter	-

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

The following presents the net State's Proportionate Share of the OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.42%) or 1-percentage-point higher (6.42%) than the current discount rate:

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

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

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

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

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

H. Single Employer Plans

1. UNM

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

The University's net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, but adjusted for a change in the discount rate. The components of the net OPEB liability of the University at June 30, 2024 was as follows (expressed in thousands):

	June 30, 2024
Total OPEB Liability	$ 189,655
Plan Fiduciary Net Position	(61,424)
University's Net OPEB Liability	$ 128,231
Plan Fiduciary Net Pension as a Percentage of the Total OPEB Liability	32.39%

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

1. UNM (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary Increases	2.0%
Investment Rate of Return	8.0%, net of OPEB plan investment expense, including inflation
Health Care Cost Trend Rates	Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years Dental: 4.0%

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

Discount Rate

The discount rate was determined by blending the University's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. GASB 75 requires the use of an interest rate based on the 20-Year Municipal Bond Index for payments expected to be made outside of the VEBA trust assets. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used for the determination of this rate. The interest rate is the index rate that is reported on the last Friday prior to the measurement date. A blended discount rate was calculated based on separating the projected future payments between those paid from the VEBA Trust and those paid from general assets. The VEBA Trust assets were projected using the expected employer and employee payroll contributions and the expected long-term rate of return. Payments from the VEBA Trust were assumed to begin when the projected asset amount is fully funded, and all future projected benefit payments will be paid from the VEBA Trust. The VEBA Trust is expected to be fully funded in the year 2036. The blended discount rates used for the fiscal year ending June 30, 2024 was 5.85%.

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

1. UNM (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the University's net OPEB liability at June 30, 2024, which was measured using the discount rate of 6.9%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current discount rate (expressed in thousands).

	1% Decrease (4.85%)	Current Discount Rate (5.85%)	1% Increase (6.85%)
Net OPEB Liability	$ 153,314	$ 128,231	$ 107,439

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the University's net OPEB liability at June 30, 2021, which was measured using the current healthcare cost trend rates (Pre-Medicare: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, Dental: 4%), as well as what the net OPEB liability would have been if it were calculated using healthcare cost trend rates that were one percentage point lower (Pre-Medicare: 6.8% decreasing to 4%, Post-Medicare: 7.25% decreasing to 3.25%, Dental: 3%) or one percentage point higher (Pre-Medicare: 8.8% decreasing to 5.5%, Post-Medicare: 8.8% decreasing to 5.5%, Dental: 5%) than the current healthcare cost trend rates (expressed in thousands).

	1% Decrease	Current Discount	1% Increase
Net OPEB Liability	$ 107,517	$ 128,231	$ 153,282

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

For the year ended June 30, 2024, the University recognized OPEB expense of $6.9 million. At June 30, 2024 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

1. UNM (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Year Ended June 30, 2024 (in Thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 11,044	$ (25,614)
Changes of Assumptions	32,982	(4,598)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5,690	-
Contributions Subsequent to the Measurement Date	7,333	-
Total	$ 57,049	$ (30,212)

The $7.3 million reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2024 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30,	Amount
2025	$ 2,552
2026	6,685
2027	7,714
2028	1,179
2029	1,374
Thereafter	-
Total	$ 19,504

2. NMSU

The University's annual other postemployment benefit (OPEB) Service/Interest cost (expense) is the portion of the Actuarial Present Value of plan benefits and expenses for active employees which is allocated to a valuation year by the Actuarial Cost Method. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation related for fiscal year 2024:

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

2. NMSU (Continued)

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

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Entry Age Normal Actuarial Cost Method was used based on level percentage of projected salary. The OPEB liability is based on an actuarial valuation performed as of June 30, 2024, conducted in accordance with generally accepted actuarial principles.

The actuarial methods and assumptions used to determine the total OPEB liability included in the measurement are as follows:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Discount Rate	3.93% per annum (EOY) Source: Bond Buyer 20-Bond GO Index
Salary Increase Rate	2.5% per annum
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

2. NMSU (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Methods and Assumptions (Continued)

Healthcare Cost Trend Rate	The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis. Medical and prescription benefits on a select basis at 7.75% for retirees 65 years of age and under and 6.75% for retirees over 65 years of age and on an ultimate basis at 4.00%. The select trend rates are reduced 0.30% each year until reaching the ultimate trend.
Per Capita Health Claim Cost	Expected pre-Medicare retiree claim costs were developed by applying age adjustments to the current fully insured premiums. The annual age 60 claim costs retirees and their spouses is $9,456. The age 70 costs for retirees is $3,336.
Mortality Rate	PUB-2010 mortality table with generational scale MP-2021.

Discount Rate

A single discount rate of 3.93% was used to measure the total OPEB liability as of June 30, 2024.

Health Care Trend Sensitivity Analysis

The following schedules measure the Net OPEB Liability if the health care cost trend rate used was 1-percentage-point higher than the assumed health care cost trend rate and 1-percentage-point lower than the assumed health care cost trend rate for June 30, 2024 (expressed in thousands).

	1% Decrease	Current Trend	1% Increase
New Mexico State University's Net OPEB Liability	$ 122,941	$ 139,662	$ 160,278

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

2. NMSU (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate Sensitivity Analysis

The following tables show the sensitivity of the OPEB liability to changes in the discount rate as of fiscal year end 2024. In particular, the table presents the University's OPEB liability under the current single rate assumption, as if it were calculated using a discount rate 1-percentage-point lower, (2.93%) or 1-percentage-point higher, (4.93%) than the single discount rate for June 30, 2024 (expressed in thousands).

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93)
New Mexico State University's Net OPEB Liability	$ 159,157	$ 139,662	$ 123,687

For the year ended June 30, 2024, the University recognized an OPEB expense of $548 thousand. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ (9,737)
Changes of Assumptions	7,262	(9,397)
Total	$ 7,262	$ (19,134)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30,	Amount
2025	$ 10,066
2026	2,275
2027	(471)
2028	-
Total	$ 11,872

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

3. NMIMT

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

The Institute's net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024.

The components of the Institute's net OPEB liability at June 30 2024, were as follows (expressed in thousands):

	June 30, 2024
Total OPEB Liability	$ 52,666
Plan Fiduciary Net Position	(4,524)
The Institute's Net OPEB Liability	$ 48,142
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	9%

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement, unless otherwise specified:

Salary Increases	3.0%
Investment Rate of Return	5.25%
Healthcare Cost Trend Rates	Medical Pre-Medicare: 7.5% initially, reduced by decrements to a rate of 4.5% after 10 years. Medical Post-Medicare: 6.25% initially, reduced by decrements to a rate of 4.5% after 10 years consistent for next seven years. Pharmacy: 12% initially, reduced by decrement to a rate of 4.5% after 10 years Dental and Vision: 3.0%

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

3. NMIMT (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.66%, which is a blended rate of the Institute's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. A blended discount rate was calculated based on separating the projected future payments between those paid from the Trust and those paid from general assets. The Trust assets were projected using the expected long-term rate of return. Payments from the Trust were assumed to begin when the projected assets value is fully funded, and all future projected benefit payments will be paid from the Trust.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Institute's net OPEB liability at June 30, 2024, which was measured using the discount rate of 3.54% percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate (expressed in thousands):

	1% Decrease (2.66%)	Current Discount Rate (3.66%)	1% Increase (4.66%)
Net OPEB Liability	$ 58,186	$ 48,142	$ 40,217

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Institute's net OPEB liability at June 30, 2024, which was measured using the current healthcare cost trend rate of (Pre-Medicare: 7.00% decreasing to 4.50%, Post-Medicare: 6.50% decreasing to 4.50%, Pharmacy: 8.50% decreasing to 4.50%, and Dental and Vision: 3%), as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

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

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

H. Single Employer Plans (Continued)

3. NMIMT (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2024, the Institute recognized OPEB expenses of $4.4 million. At June 30, 2024, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	$ 7,964	$ (8,126)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investment	290	-
Changes of Assumptions	10,357	(12,867)
Institute Contribution Subsequent to the Measurement Date	819	-
Total	$ 19,430	$ (20,993)

The $.8 million reported as deferred outflows of resources related to OPEB resulting from Institute contributions subsequent to the measurement date of July 1, 2022 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30,	Amounts
2024	$ (103)
2025	(137)
2026	270
2027	599
2028	343
Thereafter	(3,354)
Total	$ (2,382)

NOTE 13 DEFERRED COMPENSATION PLAN

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

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

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

NOTE 14 ARBITRAGE ON TAX-EXEMPT BONDS

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

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

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

NOTE 15 SEGMENT INFORMATION

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

NOTE 15 SEGMENT INFORMATION (CONTINUED)

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

NOTE 15 SEGMENT INFORMATION (CONTINUED)

			Educational Institutions						
	State Fair Commission	Miners' Colfax Medical Center	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Technology	New Mexico Military Institute	Western New Mexico University	University of New Mexico
Condensed Statement of Cash Flows:									
Net Cash Provided (Used) by:									
Operating Activities	$ (441)	$ (7,738)	$ (361,349)	$ (94,351)	$ (60,061)	$ (43,559)	$ (29,789)	$ (40,131)	$ (580,399)
Noncapital Financing Activities	2,682	11,297	147,476	108,803	64,657	68,421	3,123	56,182	861,800
Capital and Related Financing Activities	(2,841)	(2,435)	(13,637)	(393)	(4,858)	(4,571)	2,099	(3,352)	(140,811)
Investing Activities	593	-	294,927	(6,344)	(20,267)	(17,071)	29,384	1,576	74,893
Cash and Cash Equivalents at Beginning of Year	3,225	838	131,742	26,640	26,192	27,411	32,229	16,891	444,226
Cash and Cash Equivalents at End of Year	$ 3,218	$ 1,962	$ 199,159	$ 34,355	$ 5,663	$ 30,631	$ 37,046	$ 31,166	$ 659,709

NOTE 16 STATE GENERAL FUND INVESTMENT POOL

The Financial Control Division (FCD), within the Department of Finance and Administration (DFA), in collaboration with the New Mexico State Treasurer's Office (STO), implemented a comprehensive reconciliation model that compared aggregated agency claims on the State General Fund Investment Pool (SGFIP) to the associated resources held by STO. There have been many reviews of the process, and each review has deemed it to be adequate and in compliance with established procedures. For fiscal year 2024, the following assertions are provided:

1. Resources held in the pool are equivalent to the corresponding business unit claims on those resources.
2. All claims, as recorded in SHARE, shall be honored at face value.

For cash management and investment purposes, funds of various state agencies are deposited in the SGFIP, which is managed by STO. The SGFIP is reported as a fiduciary fund in the financial statements of STO. Claims on the SGFIP are reported as assets by the various agencies investing in the SGFIP. By statute, the DFA is responsible for reconciling the SGFIP balances.

NOTE 17 TAX ABATEMENTS

In fiscal year 2017, the State adopted GASB Statement No. *77 entitled, Tax Abatement Disclosures.* Statement No. 77 requires the governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should also recognize those disclosures by major tax abatement programs and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

NOTE 17 TAX ABATEMENTS (CONTINUED)

The State has provided the following disclosure of tax abatements affecting the State of New Mexico. Tax receipts processed by the Department of Taxation and Revenue are recognized as revenue in various departments of the State. Abatements affecting local governments are disclosed in the financial statements of each local governmental entity, and can be obtained from the accounting department of each local government.

As allowed by state statute, the various local governments in the State participate in various Industrial Revenue Bond Programs/Industrial Development Projects (IRBs/IDPs) which result in reduced revenues for all participating governments. Various local governments have identified the State of New Mexico as a governmental entity which has been impacted by reduced revenues. The specific amount of loss revenues of the State as a result of these various programs has not been determined; however, it is deemed to be insignificant to the State of New Mexico as a whole.

NOTE 18 COMMITMENTS

A. Construction Commitments

The State has active construction projects as of June 30, 2024. The projects include highway construction, university infrastructure, and facilities construction and renovation. At year-end, the State's commitments for construction were $467.3 million for governmental activities and $212 million for business-type activities.

B. Loan Commitments

New Mexico Environment Department

The New Mexico Environment Department had loan commitments at June 30, 2024 of the following:

- Wastewater Loan Construction Fund – the agency has executed binding commitments to disburse $33.4 million for future loans.

- Rural Infrastructure Loan Fund – the agency has executed binding commitments to disburse $2. million for loans and grants.

New Mexico Energy, Mineral, and Natural Resources Department

The Department had contractual commitments related to various capital projects on June 30, 2024, related to projects in progress. On June 30, 2024, the Department spent $3,302,711 on these projects and had remaining contractual commitments of $3,347,278. These projects are funded through the Capital Projects GGRT Funds.

Carlsbad Brine Well construction has been completed, and monitoring of the project will continue through fiscal year 2026.

NOTE 18 COMMITMENTS (CONTINUED)

C. Capital Commitments

State of New Mexico Investment Council

The State of New Mexico Investment Council has commitments for capital contributions to various private equity partnerships and real estate/real asset investments. As of June 30, 2024, unfunded commitments to private equity partnerships were approximately $3.02 billion, unfunded commitments to real estate and real asset investments were approximately $4.43 billion, and unfunded commitment to the Private Debt Pool was $3.40 billion. Due to the nature of these investments, the Office cannot predict when these capital contributions will be called. Subsequent to June 30, 2024, the Office approved an additional $1.54 billion of commitments to private equity, real estate, and real asset partnerships.

NOTE 19 CONTINGENCIES

A. Contingent Liabilities

66500 - Department of Health

A complaint was filed on February 14, 2025. The complaint claims that the Department of Health violated the Inspection of Public Records Act (IPRA) by failing to produce documents responsive to an IPRA request from September 2023. The damages in this case are not likely to exceed $350,000; however, damages could be significant if the plaintiff is awarded damages plus attorneys' fees and costs, as permitted under IPRA

New Mexico Mortgage Finance Authority

The New Mexico Mortgage Finance Authority (the Authority) entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development (HUD) under Section 542(c) of the Housing and Community Development Act of 1992, whereby HUD and the Authority provide credit enhancements for third party multifamily housing project loans. HUD has assumed 90% of the risk and the Authority guarantees the remaining 10% risk of loss in the event of a default on specific loans.

As of September 30, 2024 and 2023, the Authority is committed to assume a risk of approximately $4,110,000 and $4,373,000 for the 34 loans closed, respectively.

These loans are considered in the Authority's assessment for the allowance for mortgage loan losses. As of September 30, 2024, of the 34 loans closed, four of the loans are not included in the Authority's financial statements because they are 100% participation with Fannie Mae. Of the $4,110,000 risk assumed as of September 30, 2024, the Authority's assumed risk approximated $143,000 for these off-balance sheet loans. The end dates for the guarantees range from 2027-2058. In situations where the Authority is called upon to honor its guarantee, the Authority will take possession of and sell the loan collateral. HUD and the Authority will make up any shortfall resulting from the sale of the collateral on a 90%/10% pro rata basis.

NOTE 19 CONTINGENCIES (CONTINUED)

A. Contingent Liabilities (Continued)

New Mexico Mortgage Finance Authority (Continued)

The Authority entered into a risk-sharing agreement with the U.S. Department of Agriculture under Section 538 Rural Rental Housing Guaranteed Loan Program. The Rural Housing Service (RHS), Department of Agriculture (USDA) provides credit enhancements to encourage private and public lenders to make new loans for affordable rental properties that meet program standards. The USDA has assumed 90% of the risk in the one loan closed and funded by the Authority as of September 30, 2024. As of September 30, 2024 and 2023, the Authority is committed to assume a risk of approximately $98,000 and $101,000 for the one loan closed, respectively.

B. Other Matters

Federal Funds

In fiscal year 2024, the State received federal financial assistance for specific purposes. The expenditure of this assistance is subject to audit. Audits may result in expenditures that are disallowed or findings of noncompliance under the terms and conditions of the federal financial assistance. To the extent there are any disallowances or findings of noncompliance relevant to federal financial assistance, the State does not believe such determinations will have a material effect on its financial position.

Additionally, federal executive branch policy changes have the potential to impact federal financial assistance to the State. While the specific impacts of these changes are currently unknown, the State will continue to monitor them and take appropriate steps necessary to address any future financial concerns they may cause.

NOTE 20 SUBSEQUENT EVENTS

A. Bond Issues

34103- Board of Finance/Department of Finance and Administration

On December 30, 2024, General Fund liquidity account purchased two notes in total of 324,431,934, Series STB 2024S-C 180,232,729 and Series SSTB 2024S-D 144,199,205, respectively.

NOTE 20 SUBSEQUENT EVENTS (CONTINUED)

A. Bond Issues (Continued)

34103- Board of Finance/Department of Finance and Administration (Continued)

Subject to certain statutory minimum transfers to the Severance Tax Permanent Fund provided for in NMSA 1978, Section 7-27-8 and NMSA 1978, Section 7-27-10.2, NMSA 1978 Section 7-27-8 requires that on each December 31 and each June 30 the State Treasurer shall transfer to the Severance Tax Permanent Fund all money in the Severance Tax Bonding Fund except the amount necessary to meet all principal and interest payments on outstanding senior and supplemental severance tax bonds payable from the Severance Tax Bonding Fund on the next two ensuing semiannual payment dates. The amount necessary to meet such principal and interest payments on bonds on January 1, 2025 and July 1, 2025, that should be retained in the Severance Tax Bonding Fund in accordance with NMSA 1978 Section 7-27-8 is $202,057,750.00. In addition to such statutory requirements, NMSA 1978, Section 7-27-8 and NMSA 1978, Section 7-27-10.2 provide for minimum amounts to be transferred to the Severance Tax Permanent Fund each year. The amount to be transferred in the current year is projected to exceed the applicable statutory minimum transfers.

38500 – New Mexico Finance Authority

On October 1, 2024, New Mexico Finance Authority (NMFA) issued PPRF 2024B bonds in the amount of $45.3 million. On February 25, 2025, issued PPRF 2025A bonds in the amount of $99.2 million.

81400 – New Mexico Mortgage Finance Authority

On February 26, 2025, the Authority issued $72,000,000 (2025 Series A) and $48,000,000 (2025 Series B) of Single-Family Mortgage Program Class I Bonds under the 2005 General Indenture.

B. Other Events

35000 – General Service Department

Effective July 1, 2024, the Group Insurance Premium Stabilization fund (SHARE fund 75200) and Insurance Carrier Fund (SHARE fund 56100) have been administratively reassigned to the New Mexico Health Care Authority (SHARE Business Unit 63000) in accordance with 2024 Senate Bill 14.

NOTE 20 SUBSEQUENT EVENTS (CONTINUED)

B. Other Events (Continued)

63000 – Health Care Authority

Effective July 1, 2024, the New Mexico Human Services Department will be renamed the New Mexico Health Care Authority, following the integration of several departments from various state agencies. This restructuring is based on legislation passed by the State Legislature in 2023 and 2024 and includes the transfer of the State Employee Benefits team, the Developmental Disabilities Supports Division, the Division of Health Improvement, and the Health Care Affordability Fund. The reorganization aims to enhance the delivery of comprehensive, cost-effective, and accessible health care services while addressing key challenges such as improving health care access in rural areas, strengthening the behavioral health system, and supporting individuals and families facing poverty and food insecurity. By consolidating services under one entity, the agency seeks to streamline operations, optimize health care purchasing, and create a unified approach to health care policy and regulation. The financial impact of these changes will be assessed in the coming fiscal year and reflected in the agency's financial statements as necessary.

68000- Office of Family Representation and Advocacy

The Office of Family Representation and Advocacy (OFRA) was created by the New Mexico Legislature in 2022 under NMSA 1978, §32A-27-1 et seq. It is an Executive Branch agency led by an Executive Director and overseen by a 13-member Commission, which includes youth and parent representatives. The Commission is responsible for appointing the Executive Director, setting policies, and approving the budget. OFRA is funded through state general funds and federal Title IV-E funds, with the ability to accept gifts and grants.

OFRA provides legal representation in cases under the New Mexico Children’s Code, including abuse and neglect, families in need of court-ordered services, and extended foster care. It also offers consultations for parents considering voluntary child placement. OFRA’s practice model emphasizes manageable caseloads, appropriate compensation, and access to interdisciplinary support, improving outcomes such as fewer placement disruptions, quicker permanency, and reduced maltreatment upon reunification.

66500- Department of Health

DOH settled a Complaint for damages for alleged violations of the New Mexico Whistleblower Protection Act and the New Mexico Human Rights Act on March 1, 2025, in the amount of $525,000.00.

Per SB16, the Developmental Disabilities Support Division and Division of Health Improvement transferred to Health Care Authority Department on July 1, 2024.

New Mexico Institute of Mining and Technology

Change in custodial arrangement for deposits and investments of $5 million from First State Bank to State Treasurer LGIP for investment purposes.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	$ 971,009	$ 1,005,802	$ 10,843,918	$ 9,838,116
Federal Revenue	10,173,738	12,198,961	10,246,898	(1,952,063)
Investment Income	8,147	8,147	1,163,380	1,155,233
Rentals and Royalties	24,015	24,015	179,479	155,464
Charges for Services	190,870	191,701	217,397	25,696
Licenses, Fees, and Permits	178,456	182,796	417,201	234,405
Assessments	49,640	49,640	55,506	5,866
Miscellaneous and Other	334,321	331,971	5,775,785	5,443,814
Operating Transfers In	9,580,794	9,678,917	-	(9,678,917)
Total Revenues	21,510,990	23,671,950	28,899,564	5,227,614
Fund Balance Budgeted	291,816	858,965		
Total	21,802,806	24,530,915		
EXPENDITURES				
Culture, Recreation, and Natural Resources:				
Arts Program	2,423	2,718	2,578	140
Conservation Services Program	27,249	30,384	28,565	1,819
Dep Damage Nuisance Abatement	1,171	1,171	902	269
Energy Efficiency and Renewable	5,860	12,012	4,853	7,159
Field Operations Program	11,955	11,955	7,783	4,172
Game and Fish Administration	9,405	9,405	8,686	719
Healthy Forests	29,538	63,755	24,518	39,237
Interstate Stream Commission	23,084	32,388	11,935	20,453
Intertribal Ceremonial	148	148	-	148
Land Trust Stewardship	24,588	27,473	25,248	2,225
Library Services	6,984	7,955	6,779	1,176
Litigation and Adjustication Pro	10,918	11,035	7,774	3,261
Livestock Inspection	9,069	10,071	8,665	1,406
Meat Inspection Division	1,046	262	215	47
Mine Reclamation	13,542	14,042	8,063	5,979
Museum and Monuments	34,350	36,358	35,279	1,079
Natural Resource Damage Assess	5,198	17,515	1,443	16,072
Office of the State Engineer	5,850	5,850	5,827	23
Oil Conservation	56,097	59,629	38,147	21,482
Parks and Recreation	27,972	29,554	19,953	9,601
Preservation	3,877	4,140	2,590	1,550
Program Support	4,963	4,963	4,948	15
Program Support	6,766	10,163	6,016	4,147
Water Resource Allocation Program	19,686	19,759	18,727	1,032
Youth Conservation Corps.	5,898	5,898	4,338	1,560
Total Culture, Recreation, and Natural Resources	347,637	428,603	283,832	144,771
Education:				
Administrative Services	5,444	5,444	4,997	447
Disability Determination	18,053	18,753	16,586	2,167
Independent Living	1,551	2,449	1,545	904
Operations	87,095	92,436	31,808	60,628
OPPORTUNITY SCHOLARSHIP	146,000	146,000	14,483	131,517
Public Schools Facilities Authority	7,186	7,186	6,360	826
Rehab Services	30,856	32,256	30,605	1,651
SDE Operation	30,452	31,192	29,477	1,715
Student Financial Aid	77,430	101,714	16,582	85,132
Total Education	404,067	437,430	152,443	284,987

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
General Control:				
Administrative Hearings Office	$ 2,392	$ 2,402	$ 2,375	$ 27
Agency Program Code	4,873	5,790	4,868	922
Broadband	1,370	4,043	3,562	481
Community Development and Local Government Assistance	43,403	50,659	45,028	5,631
Compliance and Project Managem	5,721	6,962	6,941	21
Compliance Enforcement	-	2,053	1,776	277
Criminal and Juvenile Justice	1,441	1,534	1,497	37
Elections	14,151	18,544	19,242	(698)
Executive Management and Leadership	6,260	6,260	5,733	527
Facilities Management Division	19,551	20,071	32,010	(11,939)
Fiscal Management and Oversight	101,511	98,947	7,161	91,786
Medicaid Fraud Program	4,117	4,117	3,435	682
Motor Vehicle	53,886	53,906	39,314	14,592
New Mexico State Personnel	4,518	4,573	4,468	105
Office of the Attorney General	32,121	47,827	25,173	22,654
Operations	-	2,898	1,952	946
Policy Development, Fiscal and Budget	28,454	28,454	5,800	22,654
Program Support	2,589	2,589	2,553	36
Program Support	-	24,816	42,000	(17,184)
Property Tax	6,423	6,423	5,448	975
Prosecution Program P262	41	53	47	6
Pubic Employee Labor Relations Board	285	285	276	9
Records Information and Archival Management	3,079	3,079	3,014	65
Secretary of State	4,812	4,812	4,845	(33)
State Investment Program	65,952	66,880	59,733	7,147
State Ombudsman Program	669	669	654	15
State Purchasing	3,065	3,065	2,612	453
State Treasurer's Office	4,884	4,884	4,570	314
TAA	-	39,448	37,910	1,538
Total General Control	415,568	516,043	373,997	142,046
Health and Human Services:				
Administration	47,874	54,503	28,781	25,722
Adult Protective Services Program	19,961	20,245	18,245	2,000
Behavioral Health Services	99,405	114,696	100,734	13,962
Behavioral Health Services	54,529	54,529	44,425	10,104
Blind Services Program	9,135	11,735	9,503	2,232
Brain Injury Advisory Council	219	219	169	50
Child Support Enforcement Program	39,970	41,352	38,617	2,735
Community Involvement	52,988	53,022	51,807	1,215
DD Planning Council and Information Center	2,030	2,152	2,075	77
Early Childhood Services	387,678	411,288	365,640	45,648
Elder Rights and Health Advocacy	5,738	5,839	4,528	1,311
Employment Services	32,756	36,244	28,177	8,067
Environmental Protection Division	25,071	35,267	27,129	8,138
Family Support and Early Intervention	77,323	78,397	65,074	13,323
Income Support Program	1,327,714	1,503,067	1,388,418	114,649
Information Advocacy and Service	1,072	1,197	948	249
Information Advocacy Services	1,907	1,976	1,698	278
Juvenile Justice Services	78,989	79,079	73,592	5,487
Labor Relations Division	4,353	4,373	3,840	533
Martin Luther King Jr. Program	368	368	333	35
Medicaid Behavioral Health Program	823,498	884,298	746,000	138,298
Medical Assistance Program	8,163,501	8,828,654	8,493,870	334,784

See accompanying Notes to Budgetary Reporting.

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Health and Human Services (Continued):				
Medical Cannabis Program	$ 2,517	$ 2,642	$ 2,459	$ 183
NM Communication on the Status of Women	303	303	283	20
Office of Family Rep and Advocacy	10,530	10,530	7,702	2,828
Office of Guardianship	8,200	8,300	8,300	-
Policy, Research, and Quality	27,651	30,365	23,001	7,364
Pre-K Division	220,534	220,534	130,100	90,434
Program Area 1 - Administration	20,133	26,333	18,772	7,561
Program Area 2 - Public Health	252,311	270,942	216,006	54,936
Program Area 3 - Epi Response	65,104	87,319	52,579	34,740
Program Area 4 - Lab Services	17,533	18,410	17,359	1,051
Program Area 6 - Facilities	191,131	191,174	155,174	36,000
Program Area 7 - Developmentally Disabled	204,042	204,042	31,538	172,504
Program Area 8 - Health Certification and License	20,336	22,487	17,509	4,978
Program One	4,848	4,828	3,812	1,016
Program Support	76,836	86,216	75,047	11,169
Program Support	21,955	21,955	20,451	1,504
Program Support	10,716	10,716	6,576	4,140
Program Support	44,512	44,512	34,662	9,850
Protective Services	226,884	226,928	207,827	19,101
Resource Management Division	11,194	11,972	10,783	1,189
Resource Protection Division	18,451	22,621	14,029	8,592
Special Revenue	6,094	6,968	-	6,968
Special Revenue Funds	53,048	61,157	10,908	50,249
Telecommunication Apron.	3,241	3,241	2,269	972
Unemployment Insurance	16,567	16,567	11,057	5,510
Uninsured Employers Fund	970	970	678	292
Veteran's Services Program	8,256	8,637	7,781	856
Water Protection Division	62,078	68,459	29,441	39,018
Workers' Compensation Administration	12,692	13,326	12,208	1,118
Workforce Technology Services Division	27,315	27,315	20,877	6,438
Total Health and Human Services	12,902,061	13,952,269	12,642,791	1,309,478
Highways and Transportation:				
Highway Operations	325,616	405,148	340,488	64,660
Modal	85,776	178,552	67,936	110,616
Program Support	58,916	54,916	48,297	6,619
Project Design and Construction	786,710	1,832,405	803,928	1,028,477
Total Highways and Transportation	1,257,018	2,471,021	1,260,649	1,210,372
Judicial:				
Administrative Support	97,816	98,289	91,790	6,499
Bernalillo County Metro Court	34,134	34,419	33,172	1,247
Court of Appeals Program	8,685	8,685	8,612	73
District Court	15,573	16,041	15,405	636
Eighth Judicial District Court	6,429	6,719	6,380	339
Fifth Judicial District Court	14,217	14,183	13,846	337
First Judicial District Court	14,318	15,140	14,210	930
Fourth Judicial District Court	6,045	6,334	5,980	354
Judicial	7,763	7,533	7,339	194
Judicial Standards Communication Program	1,094	1,094	1,050	44
Magistrate Courts	15,880	15,880	14,192	1,688
N. M. Compilation Commission	1,553	1,553	1,317	236
New Mexico Supreme Court	8,088	8,089	8,060	29
Ninth Judicial District Court	6,744	6,735	6,705	30
Prosecution Program	4,366	4,423	4,499	(76)
Prosecution Program P251	9,140	9,140	8,607	533

See accompanying Notes to Budgetary Reporting.

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Judicial (Continued):				
Prosecution Program P252	$ 32,558	$ 33,780	$ 32,100	$ 1,680
Prosecution Program P253	7,186	7,526	7,253	273
Prosecution Program P254	4,550	4,560	4,481	79
Prosecution Program P255	7,701	7,701	7,700	1
Prosecution Program P257	3,683	3,683	3,639	44
Prosecution Program P258	4,221	4,221	4,186	35
Prosecution Program P259	4,376	4,376	4,374	2
Prosecution Program P260	2,087	2,087	2,013	74
Prosecution Program P261	6,998	7,010	6,824	186
Prosecution Program P262	5,147	5,151	5,103	48
Prosecution Program P263	8,477	8,508	8,378	130
Prosecution Program P265	3,782	3,782	2,572	1,210
Rollup Only	15,238	15,323	15,011	312
Second Judicial District Court	39,218	39,012	37,725	1,287
Seventh District Court	5,372	5,372	5,217	155
Statewide Judiciary Automation	17,147	17,147	10,662	6,485
Tenth Judicial District Court Program	2,272	2,272	2,125	147
Third Judicial District Court	15,052	15,192	14,584	608
Twelfth Judicial District Court	6,877	6,877	6,750	127
Total Judicial	443,787	447,837	421,861	25,976
Legislative:				
Education Study Committee	1,768	1,768	1,630	138
Legislative Analysis and Oversight Program	5,948	5,948	5,824	124
Total Legislative	7,716	7,716	7,454	262
Public Safety:				
Community Offender Management	37,749	37,756	36,932	824
Federal Grant Administration	21,787	23,887	20,894	2,993
Homeland Security and Emergency Management	33,249	39,788	21,005	18,783
Inmate Management and Control	292,539	292,655	287,092	5,563
Juvenile Justice Services	2,157	2,157	450	1,707
Juvenile Parole Board	8	8	1	7
Law Enforcement Program	156,488	158,488	153,263	5,225
National Guard Support Program	32,626	37,691	29,005	8,686
Parole Board Program	756	756	588	168
Program Support	12,689	12,689	8,825	3,864
Program Support	15,818	15,905	15,759	146
Reentry	22,970	23,083	20,409	2,674
State Fire Marshal's Office	132,470	133,870	118,731	15,139
State Law Enforcement Supp Program	33,100	33,100	27,109	5,991
Veteran's Services Program	80	80	-	80
Victim Compensation Program	4,725	5,375	5,233	142
Total Public Safety	799,211	817,288	745,296	71,992

See accompanying Notes to Budgetary Reporting.

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Regulation and Licensing:				
Administration	$ 1,513	$ 1,516	$ 1,434	$ 82
ASD and PEPS	1,404	2,060	1,222	838
Board of Architects	550	550	507	43
Boards and Commissions	17,996	20,104	8,988	11,116
Cannabis Control Division	6,668	6,668	4,055	2,613
Economic Development	13,082	147,878	53,506	94,372
Film Division	1,709	2,038	1,712	326
Horse Racing Regulation	3,871	7,116	5,348	1,768
Insurance Fraud and Auto Theft	2,969	3,113	2,813	300
Insurance Policy	95,053	96,531	81,744	14,787
Manufactured Housing Division	1,655	1,655	1,298	357
Marketing and Promotion	20,776	21,076	21,018	58
Medical Examiners Licensing	3,375	3,375	2,558	817
Military Base Planning Support	304	304	146	158
New Mexico Border Authority	604	604	459	145
New Mexico State Fair	375	375	375	-
Nursing Licensing and Certification	4,257	4,357	3,155	1,202
Outdoor Recreation	1,175	3,855	3,420	435
Outreach	3,134	3,207	2,721	486
Policy and Regulation	10,691	11,370	10,650	720
Program Four	4,291	4,291	3,712	579
Program One	12,423	12,423	11,509	914
Program One	6,642	6,642	6,377	265
Program Support	4,123	4,123	1,293	2,830
Program Support	1,983	1,983	1,827	156
Program Support	4,183	4,183	4,112	71
Program Three	1,467	1,467	1,250	217
Program Two	4,761	5,529	3,621	1,908
Securities Division	2,170	2,170	1,783	387
Spaceport Authority	11,577	13,347	10,729	2,618
Special Revenues	1,416	1,416	-	1,416
Special Revenues	12,275	12,889	-	12,889
Veterinary Licensing Program	486	486	375	111
Total Regulation and Licensing	258,958	408,701	253,717	154,984
Special Appropriations:				
Special Appropriations	4,962,413	5,044,008	4,684,863	359,145
Total Special Appropriations	4,962,413	5,044,008	4,684,863	359,145
Total Expenditures	21,798,436	24,530,916	20,826,903	3,704,013
NET CHANGE IN FUND BALANCE	$ 4,370	$ (1)	$ 8,072,661	

See accompanying Notes to Budgetary Reporting.

STATE OF NEW MEXICO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

Budget Basis to GAAP Basis Reconciliation

Net Change in Fund Balance (Budgetary Basis)	$	8,072,661
Differences:		
Other Financing Sources 124 and 924		16,933,105
Other Financing Uses 124 and 924		(8,534,311)
Multi-year amounts budgeted in prior years:		
Revenue recognized in current year		3,177,962
Expenditures recognized in current year		(3,003,847)
Revenues and other financing sources, other than Bud Ref 124, 924, and multi-year		1,261
Expenditures and other financing uses, other than Bud Ref 124, 924, and multi-year		2,407
Non-budgeted expenditures:		
AC 555106 - BU 34101		(152,489)
AC series 56xxx and 57xxx		(13,009,838)
Other		(87,986)
Total Net Change in Fund Balance as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$	3,398,925

See accompanying Notes to Budgetary Reporting.

BUDGET PROCESS

The State Legislature makes annual appropriations, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (Modified Accrual Budgetary Basis) and a financial control system, which permits a budget to actual expenditures comparison. Expenditures may not legally exceed appropriations for each budget at the program appropriation unit level. Program appropriation unit is identified in the State's accounting records and in the budgetary schedules as P-Codes, such as "P523 Child Support Enforcement." Budgeted program appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements represent the final authorized amounts. Administrative line-item expenditures (personnel, contractual, and other) may legally exceed amounts budgeted; however, the total budget category expenditures may not legally exceed the approved budget for the program appropriation. Chapter 6-3, NMSA 1978, sets forth the process used to develop the budget for the State of New Mexico. The process is as follows:

1. No later than September 1, the appropriation request is submitted to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.

2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of those hearings are incorporated in the State's General Appropriations Act (the Act).

3. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.

4. Not later than May 1, an annual operating budget is submitted to DFA by appropriation unit and object code based upon the appropriation authorized by the Legislature. DFA reviews and approves the operating budget, which becomes effective on July 1.

5. Formal budgetary integration is employed as a management control device during the fiscal year for the General and Special Revenue Funds.

BUDGETARY BASIS OF ACCOUNTING

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

MULTIPLE YEAR APPROPRIATION – CAPITAL PROJECTS BUDGETS AND SPECIAL APPROPRIATION BUDGETS

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

BUDGET TO GAAP RECONCILIATION

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

In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities for the operating budgets. Expenditures are classified in the financial control system based on whether the appropriation is from the operating or multiple year budgets (special or capital). Expenditures funded by the operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation.

However, in the governmental operating statements, all governmental funds are included, and expenditures are classified according to what was actually purchased. Capital outlays are fixed asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures. Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated.

Because of perspective differences between this budgetary comparison and the general fund statement of revenues, expenditures, and changes in fund balance, this schedule is presented as required supplementary information (RSI.)

The State's component appropriation accounts do not adopt an annual appropriated budget; however, the expenditures of the component appropriations by law must equal the individual amounts appropriated in the various appropriation acts. Other activities designated as nonappropriated (not budgeted) by the Legislature are the Severance Tax Fund, the Land Grant Fund, and the following Enterprise Funds: State Fair Commission, Environment Department, State Infrastructure Bank, and Unemployment Insurance Funds.

EXCESS OF EXPENSES/EXPENDITURES OVER BUDGET

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

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	$ 507,878	$ 451,586	$ 452,128	$ 409,242	$ 401,166	$ 403,879	$ 376,310	$ 405,561	$ 390,221	$ 389,053
Interest	1,753,192	1,672,802	1,636,653	1,556,071	1,547,097	1,504,991	1,462,669	1,452,723	1,393,557	1,335,950
Benefit Changes	8,750	30,512	3,658	-	(710,227)	-	-	-	-	-
Difference Between Expected and Actual Experience	603,837	408,899	(146,670)	310,352	213,521	(54,005)	113,712	(584,186)	330,751	59,112
Changes of Assumptions	270,278	-	-	-	(222)	-	545,510	(62,778)	424,792	-
Benefit Payments	(1,444,945)	(1,417,214)	(1,367,738)	(1,314,820)	(1,255,018)	(1,193,943)	(1,133,418)	(1,084,818)	(1,024,399)	(966,237)
Refunds of Contributions	(52,844)	(51,237)	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)	(46,010)
Net Change in Total Pension Liability	1,646,146	1,095,348	520,440	920,491	151,414	606,585	1,314,495	82,106	1,469,984	771,868
Total Pension Liability - Beginning	24,676,916	23,581,568	23,061,128	22,140,637	21,989,224	21,382,639	20,068,144	19,986,038	18,516,054	17,744,187
Total Pension Liability - Ending (a)	26,323,062	24,676,916	23,581,568	23,061,128	22,140,638	21,989,224	21,382,639	20,068,144	19,986,038	18,516,055
Plan Net Position:										
Contributions - Employer	521,674	454,462	395,408	379,185	368,425	339,676	319,499	332,473	324,752	317,164
Contributions - Member	428,675	373,214	326,720	309,552	297,153	281,643	282,847	272,829	265,529	258,920
Special Fund Appropriation	-	-	2,414	-	55,000	-	-	-	-	-
Net Investment Income	1,334,676	898,162	(745,218)	3,799,141	(223,545)	935,561	1,004,227	1,500,759	47,445	251,488
Benefit Payments	(1,444,945)	(1,417,214)	(1,367,738)	(1,314,820)	(1,255,018)	(1,193,944)	(1,133,418)	(1,084,818)	(1,024,399)	(966,236)
Administrative Expenses	(16,399)	(15,594)	(16,010)	(12,730)	(14,318)	(13,583)	(12,667)	(11,506)	(10,754)	(9,886)
Refunds of Contributions	(52,844)	(51,237)	(57,591)	(40,354)	(44,903)	(54,337)	(50,288)	(44,396)	(44,938)	(46,010)
Other	2,335	2,391	2,713	1,991	1,646	2,047	2,110	471	12,318	25,296
Net Change in Plan Net Position	773,172	244,184	(1,459,302)	3,121,964	(815,560)	297,063	412,310	965,812	(430,047)	(169,264)
Plan Net Position - Beginning	16,598,830	16,354,646	17,813,948	14,691,984	15,507,545	15,210,482	14,798,917	13,826,658	14,255,528	14,424,793
Prior Period Adjustments	-	-	-	-	-	-	(745)	6,447	1,177	-
Plan Net Position - Beginning, Restated	16,598,830	16,354,646	17,813,948	14,691,984	15,507,545	15,210,482	14,798,172	13,833,105	14,256,705	14,424,793
Plan Net Position - Ending (b)	17,372,002	16,598,830	16,354,646	17,813,948	14,691,984	15,507,545	15,210,482	14,798,917	13,826,658	14,255,529
Net Pension Liability - Ending (a)-(b)	$ 8,951,060	$ 8,078,086	$ 7,226,922	$ 5,247,180	$ 7,448,653	$ 6,481,679	$ 6,172,157	$ 5,269,227	$ 6,159,380	$ 4,260,526

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	$ 6,405	$ 5,882	$ 3,928	$ 6,281	$ 5,286	$ 4,282	$ 4,488	$ 5,492	$ 3,245	$ 3,344
Interest	12,428	11,928	12,276	9,424	10,211	10,341	9,867	9,066	10,238	9,900
Difference Between Expected and Actual Experience	671	8,100	3,893	4,992	(3,901)	7,420	(1,358)	(2,474)	4,737	755
Changes of Assumptions	8,951	6,085	22,932	(57,672)	18,400	19,033	(2,892)	(17,241)	46,155	-
Benefit Payments	(13,776)	(13,297)	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)	(9,373)
Refunds of Contributions	(97)	-	-	(1)	(8)	(100)	-	(11)	(45)	(40)
Net Change in Total Pension Liability	14,582	18,698	29,949	(49,514)	17,975	29,624	(480)	(15,264)	54,517	4,586
Total Pension Liability - Beginning	222,542	203,844	173,895	223,409	205,435	175,811	176,291	191,555	137,038	132,452
Total Pension Liability - Ending (a)	237,124	222,542	203,844	173,895	223,409	205,435	175,811	176,291	191,555	137,038
Plan Net Position:										
Contributions - Employer	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196
Contributions - Member	2,451	2,286	1,956	1,838	1,783	1,692	1,632	1,636	1,582	1,579
Net Investment Income	8,665	5,809	(4,096)	21,502	(1,252)	5,528	6,020	9,012	232	1,512
Benefit Payments	(13,776)	(13,297)	(13,080)	(12,538)	(12,013)	(11,352)	(10,585)	(10,096)	(9,813)	(9,373)
Administrative Expenses	(97)	(89)	(88)	(71)	(82)	(79)	(75)	(69)	(64)	(60)
Refunds of Contributions	(97)	-	-	(1)	(8)	(100)	-	(11)	(45)	(40)
Other	-	-	63	-	-	10	-	-	72	33
Net Change in Plan Net Position	3,840	1,061	10,374	16,356	(6,889)	430	1,715	4,996	(3,799)	(2,153)
Plan Net Position - Beginning	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,932	88,989	91,142
Prior Period Adjustments	-	-	-	-	-	-	-	(312)	(257)	-
Plan Net Position - Beginning, Restated	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,620	88,732	91,142
Plan Net Position - Ending (b)	116,503	112,663	111,602	101,228	84,872	91,761	91,331	89,616	84,933	88,989
Net Pension Liability - Ending (a)-(b)	$ 120,621	$ 109,879	$ 92,242	$ 72,667	$ 138,538	$ 113,674	$ 84,480	$ 86,675	$ 106,623	$ 48,050

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	$ 1,628	$ 2,191	$ 1,365	$ 1,258	$ 1,656	$ 1,466	$ 1,354	$ 1,537	$ 1,118	$ 948
Interest	4,154	3,925	4,209	4,092	3,436	3,494	3,487	3,192	3,452	3,445
Difference Between Expected and Actual Experience	(1,077)	599	1,776	(95)	(1,286)	2,209	(237)	(1,539)	1,571	6,703
Changes of Assumptions	1,351	(4,002)	12,882	-	(18,414)	5,255	2,874	(8,114)	8,832	-
Benefit Payments	(5,030)	(4,689)	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,976)	(3,956)
Refunds of Contributions	(233)	(263)	-	(50)	-	(56)	(63)	-	(15)	(5)
Net Change in Total Pension Liability	793	(2,239)	15,911	911	(18,812)	8,342	3,464	(8,890)	10,982	7,135
Total Pension Liability - Beginning	73,201	75,440	59,529	58,618	77,434	69,092	65,628	74,518	63,536	56,401
Total Pension Liability - Ending (a)	73,994	73,201	75,440	59,529	58,618	77,434	69,092	65,628	74,518	63,536
Plan Net Position:										
Contributions - Employer	2,619	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280	937
Contributions - Member	824	751	673	652	650	640	580	603	587	490
Net Investment Income	2,554	1,775	(1,470)	7,463	(437)	1,938	2,156	3,290	70	579
Benefit Payments	(5,030)	(4,689)	(4,321)	(4,294)	(4,204)	(4,026)	(3,951)	(3,966)	(3,977)	(3,956)
Administrative Expenses	(31)	(30)	(32)	(25)	(28)	(28)	(27)	(25)	(24)	(23)
Refunds of Contributions	(233)	(262)	-	(50)	-	(56)	(63)	-	(15)	(5)
Other	-	-	-	-	-	-	14	3	27	(19)
Net Change in Plan Net Position	703	83	(2,765)	6,094	(2,727)	(296)	(59)	1,187	(2,052)	(1,997)
Plan Net Position - Beginning	32,483	32,400	35,165	29,071	31,798	32,094	32,226	31,038	33,187	35,185
Prior Period Adjustments	-	-	-	-	-	-	(73)	-	(98)	-
Plan Net Position - Beginning, Restated	32,483	32,400	35,165	29,071	31,798	32,094	32,153	31,038	33,089	35,185
Plan Net Position - Ending (b)	33,186	32,483	32,400	35,165	29,071	31,798	32,094	32,226	31,038	33,187
Net Pension Liability - Ending (a)-(b)	$ 40,808	$ 40,718	$ 43,040	$ 24,364	$ 29,547	$ 45,636	$ 36,998	$ 33,402	$ 43,480	$ 30,349

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	$ 2,003	$ 2,022	$ 2,047	$ 2,040	$ 2,250	$ 2,194	$ 2,204	$ 2,337	$ 1,440	$ 1,251
Interest	3,803	3,799	3,823	3,663	3,715	3,594	3,555	3,584	3,376	3,105
Difference Between Expected and Actual Experience	(3,296)	(2,821)	(3,306)	(1,725)	(2,143)	(1,573)	(2,504)	(4,101)	(498)	874
Changes of Assumptions	633	-	-	-	(1,853)	-	1,363	-	1,976	-
Benefit Payments	(2,949)	(2,910)	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(222)	(1,836)	(1,633)
Refunds of Contributions	-	-	-	-	-	-	-	(2,031)	-	-
Net Change in Total Pension Liability	194	90	(283)	1,221	(655)	1,758	2,299	(433)	4,458	3,597
Total Pension Liability - Beginning	52,933	52,843	53,126	51,905	52,560	50,802	48,503	48,936	44,478	40,881
Total Pension Liability - Ending (a)	53,127	52,933	52,843	53,126	51,905	52,560	50,802	48,503	48,936	44,478
Plan Net Position:										
Contributions - Employer	750	750	750	750	750	750	750	750	750	750
Net Investment Income	6,597	4,377	(3,579)	17,950	(1,057)	4,318	4,512	6,682	206	1,094
Benefit Payments	(2,949)	(2,910)	(2,847)	(2,758)	(2,626)	(2,457)	(2,319)	(2,031)	(1,835)	(1,633)
Administrative Expenses	(81)	(76)	(77)	(60)	(67)	(63)	(58)	(52)	(47)	(43)
Other	1	1	-	-	-	1	1	1	51	12
Net Change in Plan Net Position	4,318	2,142	(5,753)	15,882	(3,000)	2,549	2,886	5,350	(875)	180
Plan Net Position - Beginning	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049	62,103	61,923
Prior Period Adjustments	-	-	-	-	-	-	-	-	(179)	-
Plan Net Position - Beginning, Restated	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049	61,924	61,923
Plan Net Position - Ending (b)	85,425	81,107	78,965	84,718	68,836	71,836	69,287	66,399	61,049	62,103
Net Pension Liability - Ending (a)-(b)	$ (32,298)	$ (28,174)	$ (26,122)	$ (31,591)	$ (16,931)	$ (19,276)	$ (18,485)	$ (17,896)	$ (12,113)	$ (17,626)

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	$ 514,612	$ 456,425	$ 431,266	$ 916,076	$ 388,501	$ 523,132	$ 494,876	$ 357,631	$ 356,874	$ 346,956
Interest	1,713,568	1,646,035	1,610,271	1,288,041	1,501,193	1,396,376	1,375,676	1,424,586	1,367,647	1,321,048
Benefit Changes	-	-	-	-	-	(4,381,849)	-	-	-	-
Difference Between Expected and Actual Experience	889,215	242,880	(196,600)	685,735	177,584	(112,652)	(184,090)	(207,789)	42,492	(86,722)
Changes of Assumptions	(329,582)	-	-	(11,462,883)	11,316,076	-	659,788	4,371,800	-	299,085
Benefit Payments	(1,447,687)	(1,371,674)	(1,321,515)	(1,263,064)	(1,220,261)	(1,164,645)	(1,107,441)	(1,052,675)	(1,012,731)	(957,185)
Net Change in Total Pension Liability	1,340,126	973,666	523,422	(9,836,096)	12,163,093	(3,739,638)	1,238,809	4,893,553	754,282	923,182
Total Pension Liability - Beginning	24,946,080	23,972,414	23,448,992	33,285,087	21,121,996	24,861,634	23,622,825	18,729,272	17,974,989	17,051,807
Total Pension Liability - Ending (a)	26,286,206	24,946,080	23,972,414	23,448,992	33,285,087	21,121,996	24,861,634	23,622,825	18,729,272	17,974,989
Plan Net Position:										
Contributions - Employer	770,384	662,750	511,944	452,872	451,556	406,549	388,724	395,844	396,989	395,130
Contributions - Member	437,997	395,815	347,917	330,067	329,725	303,442	287,324	292,809	295,946	294,561
Net Investment Income	1,489,846	1,036,752	(336,188)	3,834,540	(75,980)	1,037,882	900,132	1,350,389	364,571	429,738
Benefit Payments	(1,447,687)	(1,371,674)	(1,321,515)	(1,263,064)	(1,220,261)	(1,164,645)	(1,107,441)	(1,052,675)	(1,012,731)	(957,183)
Administrative Expenses	(14,124)	(12,551)	(12,982)	(12,088)	(10,878)	(9,326)	(9,908)	(9,848)	(9,661)	(10,598)
Other	-	-	-	-	343	487	2,116	-	-	-
Net Change in Plan Net Position	1,236,416	711,092	(810,824)	3,342,327	(525,494)	574,390	460,947	976,519	35,115	151,648
Plan Net Position - Beginning	16,261,794	15,550,702	16,361,526	13,019,199	13,544,692	12,970,303	12,509,357	11,532,839	11,497,724	11,346,076
Plan Net Position - Ending (b)	17,498,210	16,261,794	15,550,702	16,361,526	13,019,199	13,544,692	12,970,303	12,509,357	11,532,839	11,497,724
Net Pension Liability - Ending (a)-(b)	$ 8,787,996	$ 8,684,286	$ 8,421,712	$ 7,087,466	$ 20,265,891	$ 7,577,302	$ 11,891,331	$ 11,113,468	$ 7,196,433	$ 6,477,266

STATE OF NEW MEXICO
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST SEVEN YEARS*
(IN THOUSANDS)

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	$ 76,343	$ 91,535	$ 155,315	$ 171,993	$ 123,905	$ 156,598	$ 188,372	$ 265,229
Interest	190,979	190,483	163,469	147,283	169,239	208,666	199,584	187,563
Benefit Changes	(13,122)	-	-	802	6,624	14,004	-	-
Difference Between Expected and Actual Experience	(30,798)	(179,638)	(36,122)	57,770	(150,535)	(754,197)	(145,524)	(210,436)
Changes of Assumptions	206,617	(430,050)	(1,125,436)	(894,202)	989,793	(535,457)	(225,363)	(958,756)
Claims and Premiums	(112,915)	(89,966)	(99,777)	(102,376)	(109,584)	(96,487)	(122,199)	(113,698)
Net Change in Total OPEB Liability	317,104	(417,636)	(942,551)	(618,731)	1,029,442	(1,006,873)	(105,130)	(830,098)
Total OPEB Liability - Beginning	3,049,663	3,467,299	4,409,850	5,028,581	3,999,139	5,006,012	5,111,142	5,941,240
Total OPEB Liability - Ending (a)	3,366,767	3,049,663	3,467,299	4,409,850	5,028,581	3,999,139	5,006,012	5,111,142
Plan Net Position:								
Contributions - Employer	238,504	231,793	231,293	96,585	96,504	88,516	85,402	85,858
Contributions - Member	127,361	114,542	101,585	225,347	226,384	216,528	210,650	196,393
Net Investment Income	115,267	71,822	(49,544)	217,737	10,837	41,663	49,758	67,760
Claims and Premiums	(328,749)	(335,094)	(323,816)	(315,956)	(316,936)	(296,417)	(321,480)	(294,393)
Administrative Expenses	(4,473)	(4,002)	(3,467)	(3,404)	(3,687)	(4,148)	(3,672)	(4,180)
Other	87,330	111,971	80,144	69,519	59,821	52,949	57,530	55,556
Net Change in Plan Net Position	235,240	191,032	36,195	289,828	72,923	99,093	78,188	106,994
Plan Net Position - Beginning	1,346,728	1,155,696	1,119,501	829,673	756,750	657,657	579,469	472,475
Plan Net Position - Ending (b)	1,581,968	1,346,728	1,155,696	1,119,501	829,673	756,750	657,657	579,469
Net OPEB Liability - Ending (a)-(b)	$ 1,784,799	$ 1,702,935	$ 2,311,603	$ 3,290,349	$ 4,198,908	$ 3,242,389	$ 4,348,355	$ 4,531,673

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

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	$ 26,323,061	$ 24,676,915	$ 23,581,568	$ 23,061,128	$ 22,140,637	$ 21,989,225	$ 21,382,639	$ 20,068,143	$ 19,986,038	$ 18,516,055
Plan Net Position	17,372,001	16,598,830	16,354,647	17,813,948	14,691,984	15,507,546	15,210,483	14,798,918	13,826,658	14,255,529
Net Pension Liability	$ 8,951,060	$ 8,078,085	$ 7,226,921	$ 5,247,180	$ 7,448,653	$ 6,481,679	$ 6,172,156	$ 5,269,225	$ 6,159,380	$ 4,260,526
Percentage of Plan Net Position to Total Pension Liability	66.00%	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%
Covered Payroll	$ 2,887,875	$ 2,537,115	$ 2,460,174	$ 2,482,249	$ 2,339,923	$ 2,287,712	$ 2,265,036	$ 2,193,889	$ 2,326,943	$ 2,248,254
Net Pension Liability as a Percentage of Covered Payroll	309.95%	318.40%	293.76%	211.39%	318.33%	283.33%	272.50%	240.18%	264.70%	189.50%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	$ 237,123	$ 222,541	$ 203,842	$ 173,894	$ 223,409	$ 205,435	$ 175,810	$ 176,291	$ 191,555	$ 137,038
Plan Net Position	116,500	112,661	111,600	101,227	84,871	91,760	91,331	89,616	84,932	88,988
Net Pension Liability	$ 120,623	$ 109,880	$ 92,242	$ 72,667	$ 138,538	$ 113,675	$ 84,479	$ 86,675	$ 106,623	$ 48,050
Percentage of Plan Net Position to Total Pension Liability	49.13%	50.62%	54.75%	58.21%	37.99%	44.67%	51.95%	50.83%	44.34%	64.94%
Covered Payroll	$ 22,364	$ 21,443	$ 17,681	$ 16,985	$ 16,090	$ 16,292	$ 15,126	$ 15,493	$ 15,612	$ 15,084
Net Pension Liability as a Percentage of Covered Payroll	539.36%	512.43%	521.70%	427.83%	861.00%	697.74%	558.50%	559.45%	682.95%	318.54%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	$ 73,994	$ 73,201	$ 75,440	$ 59,529	$ 58,618	$ 77,431	$ 69,090	$ 65,628	$ 74,519	$ 63,536
Plan Net Position	33,184	32,481	32,399	35,165	29,071	31,798	32,093	32,225	31,038	33,187
Net Pension Liability	$ 40,810	$ 40,720	$ 43,041	$ 24,364	$ 29,547	$ 45,633	$ 36,997	$ 33,403	$ 43,481	$ 30,349
Percentage of Plan Net Position to Total Pension Liability	44.85%	44.37%	42.95%	59.07%	49.59%	41.07%	46.45%	49.10%	41.65%	52.23%
Covered Payroll	$ 6,550	$ 7,212	$ 6,289	$ 6,092	$ 6,025	$ 6,025	$ 5,638	$ 5,633	$ 5,243	$ 5,066
Net Pension Liability as a Percentage of Covered Payroll	623.05%	564.61%	684.39%	399.93%	490.39%	757.37%	656.17%	592.97%	829.29%	599.09%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	$ 53,126	$ 52,932	$ 52,842	$ 53,126	$ 51,905	$ 52,561	$ 50,802	$ 48,503	$ 48,936	$ 44,478
Plan Net Position	85,426	81,108	78,966	84,718	68,837	71,836	69,287	66,401	61,050	62,103
Net Pension Liability	$ (32,300)	$ (28,176)	$ (26,123)	$ (31,591)	$ (16,932)	$ (19,275)	$ (18,485)	$ (17,898)	$ (12,114)	$ (17,625)
Percentage of Plan Net Position to Total Pension Liability	160.80%	153.23%	149.44%	159.47%	132.62%	136.67%	136.39%	136.90%	124.76%	139.63%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	$ 26,286,206	$ 24,946,080	$ 23,972,414	$ 23,448,992	$ 33,285,087	$ 21,121,994	$ 24,861,632	$ 23,622,824	$ 18,729,271	$ 17,974,989
Plan Net Position	17,498,210	16,261,794	15,550,702	16,361,526	13,019,197	13,544,692	12,970,301	12,509,356	11,532,838	11,497,723
Net Pension Liability	$ 8,787,996	$ 8,684,286	$ 8,421,712	$ 7,087,466	$ 20,265,890	$ 7,577,302	$ 11,891,331	$ 11,113,468	$ 7,196,433	$ 6,477,266
Percentage of Plan Net Position to Total Pension Liability	66.57%	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%
Covered Payroll	$ 3,992,086	$ 3,645,973	$ 3,214,178	$ 3,057,979	$ 3,048,404	$ 2,797,686	$ 2,678,215	$ 2,728,362	$ 2,740,527	$ 2,730,320
Net Pension Liability as a Percentage of Covered Payroll	220.14%	238.19%	262.02%	231.77%	664.80%	270.84%	444.00%	407.33%	262.59%	237.23%

STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST EIGHT YEARS*
(IN THOUSANDS)

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability	$ 3,366,767	$ 3,049,663	$ 3,467,299	$ 4,409,850	$ 5,028,581	$ 3,999,138	$ 5,006,012	$ 5,111,142
Plan Net Position	1,581,968	1,346,728	1,155,696	1,119,501	829,673	756,749	657,657	579,469
Net OPEB Liability	$ 1,784,799	$ 1,702,935	$ 2,311,603	$ 3,290,349	$ 4,198,908	$ 3,242,389	$ 4,348,355	$ 4,531,673
Percentage of Plan Net Position to Total OPEB Liability	46.99%	44.16%	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%
Covered Payroll	$ 5,609,137	$ 4,952,013	$ 4,745,116	$ 4,614,244	$ 4,298,116	$ 4,172,929	$ 4,290,617	$ 4,165,647
Net OPEB Liability as a Percentage of Covered Payroll	31.82%	34.39%	48.72%	71.31%	97.69%	77.70%	101.35%	108.79%

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

STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
THE UNIVERSITY OF NEW MEXICO
LAST EIGHT YEARS*
(IN THOUSANDS)

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	$ 2,128	$ 2,180	$ 1,742	$ 1,891	$ 3,267	$ 3,501	$ 3,526	$ 3,019
Interest	11,753	11,248	9,366	892	10,640	10,007	9,469	9,058
Differences Between Expected and Actual Experience	(26,284)	-	23,091	-	(38,575)	-	-	-
Changes of Assumptions	36,580	(3,057)	4,104	(6,534)	7,729	(7,105)	(6,444)	7,114
Benefit Payments	(5,372)	(5,415)	(5,444)	(5,296)	5,298	(4,913)	(4,841)	(4,818)
Net Change in Total OPEB Liability	18,805	4,956	32,859	(1,018)	(22,236)	1,490	1,710	14,373
Total OPEB Liability - Beginning	170,850	165,894	133,035	134,053	156,289	154,799	153,089	138,715
Total OPEB Liability- Ending (a)	189,655	170,850	165,894	133,035	134,053	156,289	154,799	153,089
Plan Fiduciary Net Position:								
Contributions - Employer	7,302	7,383	7,490	7,460	7,513	7,322	7,467	7,675
Contributions - Member	1,930	1,967	2,047	2,164	2,215	2,408	2,625	2,856
Net investment Income	5,364	(10,734)	11,408	1,854	2,111	2,080	1,615	895
Benefit Payments	(5,372)	(5,415)	(5,444)	(5,296)	(5,298)	(4,913)	(4,841)	(4,818)
Administrative Expense	(7)	(6)	(9)	(3)	(5)	(5)	-	-
Net Change in Plan Fiduciary Net Position	9,217	(6,805)	15,492	6,179	6,536	6,892	6,866	6,608
Plan Fiduciary Net Position - Beginning	52,207	59,012	43,520	37,341	30,805	23,913	17,045	10,435
Plan Fiduciary Net Position- Ending (b)	61,424	52,207	59,012	43,520	37,341	30,805	23,913	17,045
University's Net OPEB Liability - Ending (a)-(b)	$ 128,231	$ 118,643	$ 106,882	$ 89,515	$ 96,712	$ 125,484	$ 130,886	$ 136,044
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.39%	30.56%	35.57%	32.71%	27.86%	19.71%	15.45%	11.13%
Covered-Employee Payroll	$ 257,325	$ 262,303	$ 272,863	$ 288,544	$ 295,345	$ 321,166	$ 350,452	$ 383,432
University's net OPEB Liability as a Percentage of Covered-Employee Payroll	49.83%	45.23%	39.17%	31.02%	32.75%	39.07%	37.35%	35.48%

Notes to the Schedule:

Benefit Changes: None

Differences Between Expected and Actual Experience : There is no change in the Total OPEB Liability form June 30, 2021 to June 30, 2022 due to differences in expected and actual experience. The $26,283,900 decrease in liability from June 30, 2022 to June 30, 2023 is due to changes in the census, claims, and premiums experience.

Changes in Assumptions : The $3,057,100 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the increase in the assumed discount rate from 6.80% to 6.90% as of the respective measurement dates. The $36,580,100 increase in the liability from June 30, 2022 to June 30, 2023 is due to the decrease in the assumed discount rate from 6.90% to 5.85% as of the respective measurement dates, as well as updates to the trend and mortality assumptions.

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

STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
NEW MEXICO STATE UNIVERSITY
LAST SEVEN YEARS*
(IN THOUSANDS)

	Fiscal Year Ending June 30,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	$ 4,104	$ 3,955	$ 6,726	$ 6,497	$ 5,787	$ 5,127	$ 4,936
Interest	4,827	4,627	3,802	3,745	5,208	5,268	5,291
Current Recognized Deferred Outflows/(Inflows):							
Difference Between Expected and Actual Experience	(5,184)	-	(20,103)	-	(13,724)	-	-
Changes in Assumptions or Other Inputs	10,288	(1,882)	(27,754)	1,340	28,160	7,135	(5,357)
Benefit Payments	(5,031)	(5,561)	(4,845)	(5,718)	(5,274)	(5,758)	(5,523)
Net Change in Total OPEB Liability	9,004	1,139	(42,174)	5,864	20,157	11,772	(653)
Total OPEB Liability - Beginning	130,658	129,519	171,693	165,829	145,672	133,899	134,552
Total OPEB Liability - Ending	$ 139,662	$ 130,658	$ 129,519	$ 171,693	$ 165,829	$ 145,672	$ 133,899
Covered-Employee Payroll	$ 111,227	$ 119,786	$ 116,865	$ 135,947	$ 131,987	$ 153,961	$ 150,205
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	126%	109%	111%	126%	126%	95%	89%

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

STATE OF NEW MEXICO
SCHEDULE OF NET OPEB LIABILITY
NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY
LAST EIGHT YEARS*
(IN THOUSANDS)

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	$ 3,561	$ 5,036	$ 2,993	$ 2,182	$ 1,999	$ 2,317	$ 2,697	$ 2,149
Interest Cost	2,013	1,488	1,377	1,388	1,518	1,377	1,225	1,194
Differences Between Expected and Actual Experience	(6,434)	-	12,357	-	(5,898)	-	-	-
Changes of Assumptions	1,032	(15,164)	7,720	6,895	2,050	(1,486)	(3,354)	3,706
Benefit Payments	(1,615)	(1,545)	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
Net Change in Total OPEB Liability	(1,443)	(10,185)	22,970	9,192	(392)	1,559	(922)	6,119
Total OPEB Liability- Beginning	54,108	64,293	41,323	32,131	32,523	30,964	31,886	25,765
Total OPEB Liability- Ending (a)	52,665	54,108	64,293	41,323	32,131	32,523	30,964	31,886
Plan Fiduciary Net Position:								
Contributions - Employer	755	803	689	705	2,239	3,997	4,998	4,936
Contributions - Member	813	780	735	650	1,632	3,386	3,706	3,628
Net Investment Income	117	(294)	715	85	149	173	208	29
Benefit Payments	(1,615)	(1,544)	(1,477)	(1,273)	(61)	(649)	(1,490)	(930)
Administrative Expense	(149)	(126)	(97)	(88)	(306)	(359)	(378)	(388)
Other	224	(280)	147	6	(3,714)	(5,899)	(6,132)	(5,963)
Net Change in Plan Fiduciary Net Position	145	(661)	712	85	(61)	649	912	1,312
Plan Fiduciary Net Position - Beginning	4,379	5,040	4,328	4,243	4,304	3,655	2,743	1,431
Plan Fiduciary Net Position - Ending (b)	4,524	4,379	5,040	4,328	4,243	4,304	3,655	2,743
University's Net OPEB Liability - Ending (a)-(b)	$ 48,141	$ 49,729	$ 59,253	$ 36,995	$ 27,888	$ 28,219	$ 27,309	$ 29,143
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.6%	8.1%	7.8%	10.5%	13.2%	13.2%	11.8%	8.6%
Covered-Employee Payroll	$ 56,944	$ 50,301	$ 48,653	$ 30,619	$ 29,916	$ 28,337	$ 28,142	$ 27,958
University's Net OPEB Liability as a Percentage of Covered-Employee Payroll	85%	99%	122%	121%	93%	100%	97%	104%

Notes to the Schedule:

Benefits Changes: None

Changes in Assumptions: The $9,542,577 decrease in the liability from June 30, 2022 to June 30, 2023 is due mainly to the increase in the assumed discount rate, changes to the mortality table and trend rates.

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

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory Required Contributions	$ 657,561	$ 599,244	$ 531,398	$ 379,185	$ 368,425	$ 339,676	$ 319,499	$ 332,473	$ 324,752	$ 317,164
Actual Employer Contributions	521,674	454,462	395,408	379,185	368,425	339,676	319,499	332,473	324,752	317,164
Annual Contribution Deficiency	$ 135,887	$ 144,782	$ 135,990	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,887,875	$ 2,537,115	$ 2,460,174	$ 2,482,249	$ 2,339,923	$ 2,287,712	$ 2,265,036	$ 2,193,889	$ 2,326,943	$ 2,248,254
Annual Contribution as a Percentage of Covered Payroll	18.06%	17.91%	16.07%	15.28%	15.75%	14.85%	14.11%	15.15%	13.96%	14.11%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory Required Contributions	$ 7,463	$ 7,186	$ 7,205	$ 5,858	$ 6,045	$ 5,881	$ 4,908	$ 4,975	$ 4,816	$ 4,919
Actual Employer Contributions	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196
Annual Contribution Deficiency (Excess)	$ 769	$ 834	$ (18,414)	$ 232	$ 1,362	$ 1,150	$ 185	$ 451	$ 579	$ 723
Covered Payroll	$ 22,364	$ 21,443	$ 17,681	$ 16,985	$ 16,090	$ 16,292	$ 15,126	$ 15,493	$ 15,612	$ 15,084
Annual Contribution as a Percentage of Covered Payroll	29.93%	29.62%	144.90%	33.12%	29.11%	29.04%	31.22%	29.20%	27.14%	27.82%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory Required Contributions	$ 2,530	$ 2,724	$ 2,396	$ 2,306	$ 1,923	$ 1,862	$ 1,588	$ 1,576	$ 1,463	$ 1,967
Actual Employer Contributions	2,619	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280	937
Annual Contribution Deficiency (Excess)	$ (89)	$ 186	$ 11	$ (42)	$ 630	$ 626	$ 356	$ 294	$ 183	$ 1,030
Covered Payroll	$ 6,550	$ 7,212	$ 6,289	$ 6,092	$ 6,025	$ 6,025	$ 5,638	$ 5,633	$ 5,243	$ 5,066
Annual Contribution as a Percentage of Covered Payroll	39.97%	35.18%	37.91%	38.53%	21.45%	20.52%	21.85%	22.76%	24.42%	18.49%

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory Required Contributions	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750
Actual Employer Contributions	750	750	750	750	750	750	750	750	750	750
Annual Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory Required Contributions	$ 732,010	$ 690,316	$ 627,461	$ 656,732	$ 586,452	$ 587,331	$ 546,593	$ 477,840	$ 465,341	$ 450,951
Actual Employer Contributions	770,384	662,750	511,944	452,872	451,556	406,549	388,724	395,844	396,989	395,130
Annual Contribution Deficiency (Excess)	$ (38,374)	$ 27,566	$ 115,517	$ 203,860	$ 134,895	$ 180,782	$ 157,869	$ 81,996	$ 68,352	$ 55,821
Covered Payroll	$ 3,992,086	$ 3,645,973	$ 3,214,178	$ 3,057,979	$ 3,048,404	$ 2,797,686	$ 2,678,215	$ 2,728,362	$ 2,740,527	$ 2,730,320
Annual Contribution as a Percentage of Covered Payroll	19.30%	18.18%	15.93%	14.81%	14.81%	14.53%	14.51%	14.51%	14.49%	14.47%

STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST EIGHT YEARS
(IN THOUSANDS)

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Statutory Required Contributions	$ 127,361	$ 114,542	$ 101,585	$ 96,585	$ 96,504	$ 88,516	$ 85,402	$ 85,858
Actual Employer Contributions	127,361	114,542	101,585	96,585	96,504	88,516	85,402	85,858
Annual Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 5,609,137	$ 4,952,013	$ 4,745,116	$ 4,614,244	$ 4,298,116	$ 4,172,929	$ 4,290,617	$ 4,165,647
Annual Contribution as a Percentage of Covered Payroll	2.27%	2.31%	2.14%	2.09%	2.25%	2.12%	1.99%	2.06%

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

STATE OF NEW MEXICO
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
THE UNIVERSITY OF NEW MEXICO
LAST EIGHT YEARS*
(IN THOUSANDS)

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 7,333	$ 7,302	$ 7,383	$ 7,490	$ 7,459	$ 7,513	$ 7,322	$ 7,467
Contributions in Relation to the Actuarially Determined Contribution	7,333	7,302	7,383	7,490	7,459	7,513	7,322	7,467
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 259,428	$ 257,325	$ 262,303	$ 272,863	$ 288,544	$ 295,345	$ 321,166	$ 350,452
Contributions as a Percentage of Payroll	2.83%	2.84%	2.81%	2.74%	2.59%	2.54%	2.28%	2.13%

Notes to Schedule:

Valuation Date	January 1, 2023
Methods and Assumptions used to Determine Contribution Rates:	
Actuarial Cost Method	Entry age normal – level % of salary
Asset Valuation Method	Market value of assets
Healthcare Cost Trend Rates	Medical Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years Medical Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years Dental: 4.0%
Salary Increases	2.0%
Investment Rate of Return	6.0%, net of OPEB plan investment expense, including inflation
Retirement Age	63
Mortality	PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using scale MP-2021.

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

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

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

Notes to Schedule:

Valuation Date	July 1, 2024
Methods and Assumptions used to Determine Contribution Rates:	
Actuarial Cost Method	Entry age normal – level % of salary
Asset Valuation Method	Market value of assets
Inflation	3.0%
Healthcare Cost Trend Rates	Medical Pre-Medicare: 7500% initially, reduced by decrements to a rate of 4.5% after nine years Medical Post-Medicare: 6.255% initially, reduce by decrements to a rate of 4.50% after nine years Pharmacy: 12.00% initially, reduced by decrement to a rate of 4.50% after nine years Dental and Vision: 3.0%
Salary Increases	3.0%
Investment Rate of Return	5.25%
Retirement Age	64
Mortality	PUB-2010 "General" Classification head count-weighted mortality Table with fully generation mortality improvement projections from the central year using Scale MP-2021

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

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

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

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

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

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

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expenses	11.47%	5.99%	-0.86%	22.59%	1.43%	6.53%	9.06%	13.98%

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

STATE OF NEW MEXICO
SCHEDULE OF INVESTMENT RETURNS - OPEB
THE UNIVERSITY NEW MEXICO
LAST EIGHT YEARS*
(IN THOUSANDS)

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

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

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

	Fiscal Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.89%	8.05%	-11.83%	36.75%	3.70%	7.10%	9.40%	11.30%

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

STATE OF NEW MEXICO
SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS
ALL RETIREMENT SYSTEMS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	PERS	JRS	MRS	VFRS	EERS
Valuation Date	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay	Level Percent of Pay, Open	Level Percent of Payroll, Open	Level Dollar, Open	Closed 30 Year Period, Amortization. Level Percent of Payroll
Amortization Period	25 Years	25 Years	25 Years	25 Years	Closed 30 Years
Asset Valuation Method					5-Year Smoothed Market
Actuarial Assumptions:					
Investment Rate of Return	7.25%	7.25%	7.25%	7.25%	7%
Payroll Growth	3.00%	3.00%	3.00%	N/A	-
Projected Salary Increases	3.25%-13.50%	3.25 %	3.25 %	N/A	2.30% Inflation, Plus .70% Prod, Inc.
Includes Inflation At	2.50%	2.50%	2.50%	2.50%	2.30 %
Mortality Assumption	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	PUB-2010 Mortality Table	2020 GRS Southwest Region Teacher Mortality Table
Discount Rate	7.25%	5.54%	5.84%	7.25%	7.00%
Municipal Bond Rate	-	3.97%	3.97%	-	-

Notes to Schedule:

All percentages are stated at an annual rate.
Investment rate of return is net of investment expenses.

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

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

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

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

	Measurement Date									
PERA - State-Funded Divisions	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	50.70%	53.83%	57.10%	51.17%	51.29%	52.74%	52.52%	51.25%	52.70%	54.10%
State Proportionate Share of the Net Pension Liability	$ 4,095,436	$ 3,890,088	$ 2,996,326	$ 3,811,182	$ 3,324,673	$ 3,255,419	$ 2,767,431	$ 3,156,785	$ 2,243,965	$ 1,795,898
State Covered Payroll **	$ 1,326,233	$ 1,151,862	$ 1,135,523	$ 1,111,517	$ 1,024,186	$ 987,851	$ 1,030,651	$ 1,192,558	$ 1,184,830	$ 1,137,325
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	308.80%	337.72%	263.87%	342.88%	324.62%	329.55%	268.51%	264.71%	189.39%	157.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

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

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

	Measurement Date									
PERA - Judicial Fund	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State Proportionate Share of the Net Pension Liability	$ 109,880	$ 92,243	$ 72,669	$ 138,539	$ 113,675	$ 84,479	$ 86,675	$ 106,623	$ 48,050	$ 41,311
State Covered Payroll **	$ 21,443	$ 17,681	$ 16,985	$ 16,090	$ 16,291	$ 15,126	$ 15,493	$ 15,612	$ 15,084	$ 13,163
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	512.43%	521.71%	427.84%	861.03%	697.78%	558.50%	559.45%	682.95%	318.54%	313.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.62%	54.75%	58.21%	37.99%	44.67%	51.95%	50.83%	44.34%	64.94%	68.81%

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

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

	Measurement Date									
PERA - Magistrate Fund	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State Proportionate Share of the Net Pension Liability	$ 40,719	$ 43,041	$ 24,365	$ 29,547	$ 45,634	$ 36,998	$ 33,403	$ 43,481	$ 30,349	$ 21,216
State Covered Payroll **	$ 7,212	$ 6,290	$ 6,092	$ 6,025	$ 6,025	$ 5,638	$ 5,633	$ 5,243	$ 5,066	$ 3,516
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	564.60%	684.28%	399.95%	490.41%	757.41%	656.23%	592.99%	829.29%	599.07%	603.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.37%	42.95%	59.07%	49.59%	41.07%	46.45%	49.10%	41.65%	52.23%	62.38%

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

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

PERA - Volunteer Firefighters Fund	Measurement Date									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State Proportionate Share of the Net Pension Liability	$ (28,176)	$ (26,125)	$ (31,593)	$ (16,932)	$ (19,276)	$ (18,485)	$ (17,898)	$ (12,114)	$ (17,625)	$ (21,042)
State Covered Payroll **	*	*	*	*	*	*	*	*	*	*
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

ERB - State Agencies	Measurement Date June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	0.23%	0.26%	0.26%	0.27%	0.29%	0.29%	0.27%	0.30%	0.34%	0.34%
State Proportionate Share of the Net Pension Liability	$ 20,171	$ 22,714	$ 18,663	$ 54,568	$ 22,005	$ 34,028	$ 30,486	$ 21,580	$ 22,015	$ 19,127
State Covered Payroll *	$ 10,284	$ 8,924	$ 8,438	$ 8,601	$ 8,489	$ 8,000	$ 8,561	$ 9,662	$ 9,240	$ 9,242
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	196.14%	254.52%	221.17%	634.46%	259.22%	425.35%	356.10%	223.35%	238.26%	206.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%

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

ERB - Educational Institutions	Measurement Date June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
State Proportion of the Net Pension Liability	25.63%	26.29%	26.98%	26.80%	27.87%	28.73%	28.80%	28.65%	28.85%	29.19%
State Proportionate Share of the Net Pension Liability	$ 2,225,358	$ 2,214,431	$ 1,912,469	$ 5,431,257	$ 2,111,751	$ 3,416,362	$ 3,200,504	$ 2,061,616	$ 1,868,432	$ 1,665,276
State Covered Payroll *	$ 1,110,066	$ 892,224	$ 855,428	$ 856,014	$ 814,496	$ 802,777	$ 818,187	$ 819,993	$ 804,471	$ 930,167
State Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	200.47%	248.19%	223.57%	634.48%	259.27%	425.57%	391.17%	251.42%	232.26%	179.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%

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

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

Retiree Health Care - State-Funded Divisions	Measurement Date						
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
State Proportion of the Net OPEB Liability	23.80%	23.88%	24.12%	24.03%	24.22%	24.13%	24.12%
State Proportionate Share of the Net OPEB Liability	$ 405,285	$ 552,044	$ 793,748	$ 1,008,906	$ 785,609	$ 1,049,291	$ 1,093,162
State Covered Payroll **	$ 1,362,500	$ 1,258,400	$ 1,190,400	$ 1,149,050	$ 1,035,350	$ 1,030,100	$ 1,035,550
State Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	29.75%	43.87%	66.68%	87.80%	75.88%	101.86%	105.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.16%	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%

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

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

STATE OF NEW MEXICO
SCHEDULE OF THE STATE OF NEW MEXICO'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (CONTINUED)
LAST SEVEN YEARS*
(IN THOUSANDS)

Retiree Health Care - Educational Institutions	Measurement Date						
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
State Proportion of the Net OPEB Liability	2.63%	2.75%	2.75%	2.67%	2.73%	2.86%	2.89%
State Proportionate Share of the Net OPEB Liability	$ 44,823	$ 63,643	$ 90,524	$ 112,118	$ 88,554	$ 124,460	$ 130,892
State Covered Payroll **	$ 153,000	$ 137,600	$ 129,350	$ 127,700	$ 122,700	$ 128,727	$ 123,997
State Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	29.30%	46.25%	69.98%	87.80%	72.17%	96.69%	105.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.16%	33.33%	16.50%	16.50%	18.92%	13.14%	11.34%

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

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

The Following Presents Required Supplementary Information for the State as Employer

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

PERA - State-Funded Divisions	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 290,027	$ 251,754	$ 221,400	$ 209,237	$ 200,231	$ 181,674	$ 174,957	$ 184,801	$ 171,144	$ 176,397
Contributions in Relation to Contractually Required Contributions	290,027	251,754	221,400	209,237	200,231	181,674	174,957	184,801	171,144	176,397
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Covered Payroll **	$ 1,527,136	$ 1,326,233	$ 1,151,862	$ 1,135,523	$ 1,111,517	$ 1,024,186	$ 987,851	$ 1,030,651	$ 1,192,558	$ 1,184,830
Contributions as a Percentage of Covered Payroll	18.99%	18.98%	19.22%	18.43%	18.01%	17.74%	17.71%	17.93%	14.35%	14.89%

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

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

PERA - Judicial Fund	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 7,463	$ 7,186	$ 7,205	$ 5,858	$ 6,045	$ 5,881	$ 4,908	$ 4,975	$ 4,816	$ 4,919
Contributions in Relation to Contractually Required Contributions	6,694	6,352	25,619	5,626	4,683	4,731	4,723	4,524	4,237	4,196
Contribution Deficiency (Excess)	$ 769	$ 834	$ (18,414)	$ 232	$ 1,362	$ 1,150	$ 185	$ 451	$ 579	$ 723
State Covered Payroll **	$ 22,364	$ 21,443	$ 17,681	$ 16,985	$ 16,090	$ 16,292	$ 15,126	$ 15,493	$ 15,612	$ 15,084
Contributions as a Percentage of Covered Payroll	29.94%	29.63%	144.91%	33.13%	29.11%	29.04%	31.23%	29.20%	27.14%	27.82%

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

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

PERA - Magistrate Fund	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 2,530	$ 2,724	$ 2,396	$ 2,306	$ 1,923	$ 1,862	$ 1,588	$ 1,576	$ 1,463	$ 1,967
Contributions in Relation to Contractually Required Contributions	2,619	2,538	2,385	2,348	1,293	1,236	1,232	1,282	1,280	937
Contribution Deficiency (Excess)	$ (89)	$ 186	$ 11	$ (42)	$ 630	$ 626	$ 356	$ 294	$ 183	$ 1,030
State Covered Payroll **	$ 6,550	$ 7,212	$ 6,290	$ 6,092	$ 6,025	$ 6,025	$ 5,638	$ 5,633	$ 5,243	$ 5,066
Contributions as a Percentage of Covered Payroll	39.98%	35.19%	37.92%	38.54%	21.45%	20.51%	21.85%	22.76%	24.42%	18.49%

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

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

PERA - Volunteer Firefighters Fund	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Determined Contribution	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750
Contributions in Relation to Statutorily Determined Contributions	750	750	750	750	750	750	750	750	750	750
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Covered Payroll	*	*	*	*	*	*	*	*	*	*
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

ERB - State Agencies	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,740	$ 1,558	$ 1,352	$ 1,194	$ 1,217	$ 1,180	$ 1,112	$ 1,190	$ 1,343	$ 1,215
Contributions in Relation to Contractually Required Contributions	1,740	1,558	1,352	1,194	1,217	1,180	1,112	1,190	1,343	1,215
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Covered Payroll **	$ 11,485	$ 10,284	$ 8,924	$ 8,438	$ 8,601	$ 8,489	$ 8,000	$ 8,561	$ 9,662	$ 9,240
Contributions as a Percentage of Covered Payroll	15.15%	15.15%	15.15%	14.15%	14.15%	13.90%	13.90%	13.90%	13.90%	13.15%

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

ERB - Educational Institutions	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 199,489	$ 168,175	$ 135,172	$ 121,043	$ 121,126	$ 113,215	$ 111,586	$ 113,728	$ 113,979	$ 105,788
Contributions in Relation to Contractually Required Contributions	199,489	168,175	135,172	121,043	121,126	113,215	111,586	113,728	113,979	105,788
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational Institutions' Covered Payroll **	$ 1,316,759	$ 1,110,066	$ 892,224	$ 855,428	$ 856,014	$ 814,496	$ 802,777	$ 818,187	$ 819,993	$ 804,471
Contributions as a Percentage of Covered Payroll	15.15%	15.15%	15.15%	14.15%	14.15%	13.90%	13.90%	13.90%	13.90%	13.15%

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

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

Retiree Health Care - State-Funded Divisions	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 30,727	$ 27,250	$ 25,168	$ 23,808	$ 22,981	$ 20,707	$ 20,602
Contributions in Relation to Contractually Required Contributions	30,727	27,250	25,168	23,808	22,981	20,707	20,602
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Covered Payroll **	$ 1,536,350	$ 1,362,500	$ 1,258,400	$ 1,190,400	$ 1,149,050	$ 1,035,350	$ 1,030,100
Contributions as a Percentage of Covered Payroll	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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

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

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

Retiree Health Care - Educational Institutions	Fiscal Year Ended June 30, 2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 3,276	$ 3,060	$ 2,752	$ 2,587	$ 2,554	$ 2,454	$ 2,575
Contributions in Relation to Contractually Required Contributions	3,276	3,060	2,752	2,587	2,554	2,454	2,575
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Covered Payroll **	$ 163,800	$ 153,000	$ 137,600	$ 129,350	$ 127,700	$ 122,700	$ 128,727
Contributions as a Percentage of Covered Payroll	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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

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

OTHER SUPPLEMENTARY INFORMATION

Debt Service Fund

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

Capital Projects Fund

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

Children's Trust Fund

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

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

	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 15,557	$ -	$ -	$ 15,557
Investment in the State General Fund Investment Pool	656,490	5,432,722	89	6,089,301
Due from Other Funds	330,587	807	-	331,394
Receivables, Net	19,864	1,554	(1)	21,417
Investments	18,066	-	10,851	28,917
Total Assets	$ 1,040,564	$ 5,435,083	$ 10,939	$ 6,486,586
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 642	$ 133,632	$ -	$ 134,274
Accrued Liabilities	-	102	-	102
Due to Other Funds	-	1,453	-	1,453
Due to Educational Institutions Fund	-	32,603	-	32,603
Due to Component Units	-	14,081	-	14,081
Intergovernmental Payables	-	96,191	-	96,191
Funds Held For Others	-	3	-	3
Other Obligations	2	4,215	-	4,217
Unearned Revenue	-	153,146	-	153,146
Total Liabilities	644	435,426	-	436,070
DEFERRED INFLOWS OF RESOURCES				
Leases	-	61	-	61
Unavailable Revenues	-	43	-	43
Total Deferred Inflows of Resources	-	104	-	104
FUND BALANCES				
Nonspendable	-	-	2,000	2,000
Restricted	1,047,916	5,008,094	6,437	6,062,447
Committed	-	20	2,500	2,520
Unassigned (Deficit)	(7,996)	(8,561)	2	(16,555)
Total Fund Balances	1,039,920	4,999,553	10,939	6,050,412
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,040,564	$ 5,435,083	$ 10,939	$ 6,486,586

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

	Debt Service Fund	Capital Projects Fund	Children's Trust Fund	Nonmajor Governmental Funds
REVENUES				
Taxes:				
General and Selective Taxes	$ 2,240,962	$ 7,127	$ -	$ 2,248,089
Total Taxes	2,240,962	7,127	-	2,248,089
Other Revenues:				
Federal Revenue	-	55,937	-	55,937
Investment Income	179,634	1,196	1,665	182,495
Rentals and Royalties	-	9	-	9
Charges for Services	5,322	275	-	5,597
Licenses, Fees, and Permits	2,246	-	78	2,324
Miscellaneous and Other	-	12,269	-	12,269
Total Revenues	2,428,164	76,813	1,743	2,506,720
EXPENDITURES				
Current:				
Culture, Recreation, and Natural Resources	39	37,143	-	37,182
Education	-	130,858	-	130,858
General Control	1,975	248,623	-	250,598
Health and Human Services	3,996	105,501	-	109,497
Highway and Transportation	-	163,038	-	163,038
Judicial	7	2,655	-	2,662
Public Safety	-	1,597	-	1,597
Regulation and Licensing	-	5,927	-	5,927
Capital Outlay	7	267,536	-	267,543
Debt Service:				
Principal	1,800,141	-	-	1,800,141
Interest and Other Charges	88,161	-	-	88,161
Total Expenditures	1,894,326	962,878	-	2,857,204
EXCESS REVENUES OVER (UNDER) EXPENDITURES	533,838	(886,065)	1,743	(350,484)
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	1,505,715	-	1,505,715
Transfers In	2,090,084	1,907,688	-	3,997,772
Transfers Out	(2,650,220)	(1,381,491)	-	(4,031,711)
Total Other Financing Sources (Uses)	(560,136)	2,031,912	-	1,471,776
NET CHANGE IN FUND BALANCES	(26,298)	1,145,847	1,743	1,121,292
Fund Balance - Beginning	1,066,218	3,853,706	9,196	4,929,120
FUND BALANCES - ENDING	$ 1,039,920	$ 4,999,553	$ 10,939	$ 6,050,412

Enterprise Funds

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

Internal Service Funds

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

Unemployment Insurance Fund

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

Industries for the Blind

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

Corrections Industries Revolving Fund

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

Environment Department

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

New Mexico Magazine

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

New Mexico Public Schools Insurance Authority (NMPSIA)

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

State Infrastructure Bank

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

Miners' Colfax Medical Center

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

State Fair Commission

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

Department of Cultural Affairs

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

Education Trust Board

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

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

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

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

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 415,573	$ 209	$ 1,659	$ -	$ -	$ 418,126
Investment in the State General Fund Investment Pool	(1,738)	1,753	1,559	724	640	245,603
Investment in the Local Government Investment Pool	-	-	-	-	10,606	78,239
Prepaid Expenses and Other Assets	-	-	-	-	(1)	312
Due from Other Funds	-	2,340	-	-	-	2,346
Receivables, Net	212,630	4,551	2,311	-	136	262,499
Investments	-	(1)	-	-	-	(1)
Inventories	-	623	-	-	-	814
Total Current Assets	626,465	9,475	5,529	724	11,381	1,007,938
Noncurrent Assets:						
Loans Receivable	-	-	58,978	-	-	271,604
Investments	-	1,007	-	-	-	43,704
Nondepreciable Capital Assets	-	709	2,489	-	-	3,435
Capital Assets, Net	-	19,302	35,538	69	162	55,719
Total Noncurrent Assets	-	21,018	97,005	69	162	374,462
Total Assets	626,465	30,493	102,534	793	11,543	1,382,400
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - OPEB	-	1,296	191	-	32	1,770
Deferred Outflows - Pension	-	6,507	961	-	161	8,914
Total Deferred Outflows	-	7,803	1,152	-	193	10,684

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

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 771	$ 198	$ -	$ 2,240	$ 93	$ -
Accrued Liabilities	2	33	-	17	29	-
Unearned Revenue	-	-	-	758	104	-
Due to Other Funds	-	-	-	-	7	-
Funds Held for Others	-	-	-	-	3	-
Other Liabilities	-	-	-	581	1,941	-
Bonds Payable - Current Portion	-	-	-	-	-	-
Other Long-Term Liabilities - Current Portion	2	81	-	42	39,273	-
Total Current Liabilities	775	312	-	3,638	41,450	-
Noncurrent Liabilities:						
Bonds Payable	-	-	-	-	-	-
Net Pension Liability	292	3,766	-	1,894	2,217	-
Net OPEB Liability	29	359	-	190	221	-
Other Long-Term Liabilities	3	-	-	3	104,608	-
Total Noncurrent Liabilities	324	4,125	-	2,087	107,046	-
Total Liabilities	1,099	4,437	-	5,725	148,496	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	6	78	-	42	49	-
Deferred Inflows - OPEB	34	416	-	218	256	-
Deferred Inflows - Lease	-	1,188	-	-	-	-
Total Deferred Inflows	40	1,682	-	260	305	-
NET POSITION						
Net Investment in Capital Assets	-	629	-	-	243	-
Restricted for:						
Loans	-	-	442,046	-	-	23,322
Unemployment and Insurance	-	-	-	-	-	-
Other Purposes	248	4,090	-	-	1	-
Unrestricted (Deficit)	(305)	(4,654)	(2)	(1,849)	(13,704)	(1)
Total Net Position	$ (57)	$ 65	$ 442,044	$ (1,849)	$ (13,460)	$ 23,321

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

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 83	$ 896	$ 588	$ -	$ 394	$ 5,263
Accrued Liabilities	5,501	469	64	-	10	6,125
Unearned Revenue	34,308	-	1,576	-	-	36,746
Due to Other Funds	499	-	-	-	-	506
Funds Held for Others	417	12	82	-	-	514
Other Liabilities	1	269	1	-	-	2,793
Bonds Payable - Current Portion	-	1,171	1	-	-	1,172
Other Long-Term Liabilities - Current Portion	-	1,168	149	-	75	40,790
Total Current Liabilities	40,809	3,985	2,461	-	479	93,909
Noncurrent Liabilities:						
Bonds Payable	-	2,430	-	-	-	2,430
Net Pension Liability	-	41,406	6,113	-	1,033	56,721
Net OPEB Liability	-	4,131	611	-	104	5,645
Other Long-Term Liabilities	-	1,416	99	-	135	106,264
Total Noncurrent Liabilities	-	49,383	6,823	-	1,272	171,060
Total Liabilities	40,809	53,368	9,284	-	1,751	264,969
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	-	905	134	-	23	1,237
Deferred Inflows - OPEB	-	4,778	707	-	119	6,528
Deferred Inflows - Lease	-	-	61,250	-	-	62,438
Total Deferred Inflows	-	5,683	62,091	-	142	70,203
NET POSITION						
Net Investment in Capital Assets	-	14,996	38,028	68	(15)	53,949
Restricted for:						
Loans	-	-	-	-	-	465,368
Unemployment and Insurance	585,668	-	-	-	-	585,668
Other Purposes	-	1,006	458	-	10,941	16,744
Unrestricted (Deficit)	(12)	(36,757)	(6,175)	725	(1,083)	(63,817)
Total Net Position	$ 585,656	$ (20,755)	$ 32,311	$ 793	$ 9,843	$ 1,057,912

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

	Industries for the Blind	Corrections Industries Revolving Fund	Environment Department	New Mexico Magazine	New Mexico Public Schools Insurance Authority	State Infrastructure Bank
OPERATING REVENUES						
Charges for Services	$ 9,211	$ 4,031	$ -	$ 4,485	$ 477,635	$ -
Unemployment Insurance	-	-	-	-	-	-
Federal Revenue	-	-	13,916	4,743	-	-
Loan and Other Income	-	75	8,803	-	4,915	582
Other Operating Revenues	-	20	-	300	2,428	-
Total Operating Revenues	9,211	4,126	22,719	9,528	484,978	582
OPERATING EXPENSES						
Benefits, Claims, and Premiums	-	-	-	-	20,715	-
General and Administrative Expenses	152	3,251	1,384	8,816	509,820	-
Depreciation Expense	2	114	-	1	6	-
Other Operating Expenses	9,092	1,034	-	35	-	-
Total Operating Expenses	9,246	4,399	1,384	8,852	530,541	-
OPERATING INCOME (LOSS)	(35)	(273)	21,335	676	(45,563)	582
NONOPERATING REVENUES (EXPENSES)						
Interest and Investment Income	-	10	-	-	4,941	-
Interest Expense	-	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	9	-	-	-	-	-
Other Revenue (Expenses)	47	-	3,957	-	-	-
Total Nonoperating Revenues (Expenses)	56	10	3,957	-	4,941	-
INCOME (LOSS) BEFORE TRANSFERS	21	(263)	25,292	676	(40,622)	582
TRANSFERS						
Transfers In	-	-	-	-	1,649	-
Transfers Out	-	-	(1,113)	-	(1,650)	-
Total Transfers	-	-	(1,113)	-	(1)	-
CHANGE IN NET POSITION	21	(263)	24,179	676	(40,623)	582
Net Position - Beginning, As Originally Reported	(78)	328	417,865	(2,525)	27,163	22,739
Restatement (See Note 9)	-	-	-	-	-	-
Net Position - Beginning, as Restated	(78)	328	417,865	(2,525)	27,163	22,739
NET POSITION - ENDING	$ (57)	$ 65	$ 442,044	$ (1,849)	$ (13,460)	$ 23,321

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

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Department of Cultural Affairs	Education Trust Board	Total
OPERATING REVENUES						
Charges for Services	$ 1,139	$ 28,936	$ 13,899	$ 27	$ 2,594	$ 541,957
Unemployment Insurance	178,524	-	-	-	-	178,524
Federal Revenue	350	1,958	-	-	-	20,967
Loan and Other Income	11,190	551	4	-	604	26,724
Other Operating Revenues	1,023	167	36	-	-	3,974
Total Operating Revenues	192,226	31,612	13,939	27	3,198	772,146
OPERATING EXPENSES						
Benefits, Claims, and Premiums	223,018	-	-	-	-	243,733
General and Administrative Expenses	-	34,339	15,457	128	3,158	576,505
Depreciation Expense	-	2,379	2,069	87	40	4,698
Other Operating Expenses	-	18	9	-	6	10,194
Total Operating Expenses	223,018	36,736	17,535	215	3,204	835,130
OPERATING INCOME (LOSS)	(30,792)	(5,124)	(3,596)	(188)	(6)	(62,984)
NONOPERATING REVENUES (EXPENSES)						
Interest and Investment Income	-	-	601	(110)	-	5,442
Interest Expense	-	(145)	-	-	(6)	(151)
Gain/(Loss) on Sale of Capital Assets	-	-	-	75	-	84
Other Revenue (Expenses)	-	-	-	-	-	4,004
Total Nonoperating Revenues (Expenses)	-	(145)	601	(35)	(6)	9,379
INCOME (LOSS) BEFORE TRANSFERS	(30,792)	(5,269)	(2,995)	(223)	(12)	(53,605)
TRANSFERS						
Transfers In	432	37,247	2,682	-	-	42,010
Transfers Out	-	(25,950)	-	-	-	(28,713)
Total Transfers	432	11,297	2,682	-	-	13,297
CHANGE IN NET POSITION	(30,360)	6,028	(313)	(223)	(12)	(40,308)
Net Position - Beginning, As Originally Reported	554,247	(26,783)	32,624	1,016	9,855	1,036,451
Restatement (See Note 9)	61,769	-	-	-	-	61,769
Net Position - Beginning, as Restated	616,016	(26,783)	32,624	1,016	9,855	1,098,220
NET POSITION - ENDING	$ 585,656	$ (20,755)	$ 32,311	$ 793	$ 9,843	$ 1,057,912

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

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

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

	Unemployment Insurance Fund	Miners' Colfax Medical Center	State Fair Commission	Dept. of Cultural Affairs	Education Trust Board	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from:						
Fees for Service	$ -	$ 26,537	$ -	$ -	$ -	$ 531,271
Sale of Products	-	-	13,923	27	-	23,485
Gifts, Grants, and Contracts	350	1,463	-	-	2,591	23,113
Loan and Note Repayments	-	-	-	-	-	15,465
Unemployment Insurance	214,328	-	-	-	-	214,328
Other Sources	11,190	2,068	2,231	-	604	31,705
Cash Payments to or for:						
Suppliers	-	-	(16,595)	(191)	(2,322)	(61,334)
Employees	-	(22,118)	-	-	(477)	(25,570)
Unemployment Benefits	(220,414)	-	-	-	-	(220,414)
Loans, Loan Losses, Insurance Losses	-	-	-	-	-	(479,378)
Other Payments	-	(15,688)	-	-	(5)	(41,767)
Net Cash Provided (Used) by Operating Activities	5,454	(7,738)	(441)	(164)	391	10,904
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In	432	37,247	2,682	-	-	42,010
Transfers Out	-	(25,950)	-	-	-	(28,713)
Other Noncapital Financing	-	-	-	-	-	4,057
Net Cash Provided by Noncapital Financing Activities	432	11,297	2,682	-	-	17,354
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	-	(966)	(2,841)	-	-	(3,847)
Capital Debt Service Payments - Principal	-	(1,140)	-	-	-	(1,146)
Capital Debt Service Payments - Interest	-	(181)	-	-	(44)	(225)
Proceeds from Sale of Capital Assets	-	-	-	75	-	75
Other Capital Financing	-	(148)	-	-	-	(148)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(2,435)	(2,841)	75	(44)	(5,291)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends of Investments	-	-	593	-	(261)	8,242
NET INCREASE (DECREASE) IN CASH	5,886	1,124	(7)	(89)	86	31,209
Cash and Cash Equivalents - Beginning of Year	407,949	838	3,225	813	554	632,520
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 413,835	$ 1,962	$ 3,218	$ 724	$ 640	$ 663,729
CASH AND CASH EQUIVALENTS						
Unrestricted	$ 415,573	$ 209	$ 1,659	$ -	$ -	$ 418,126
Investment in State Gen. Fund Investment Pool	(1,738)	1,753	1,559	724	640	245,603
Total Cash and Cash Equivalents	$ 413,835	$ 1,962	$ 3,218	$ 724	$ 640	$ 663,729

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

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

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

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

Fleet Operations

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

Risk Management

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

Printing and Records

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

Communications Services

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

Information Processing

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

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

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
ASSETS							
Current Assets:							
Investment in the State General Fund Investment Pool	$ 3,806	$ 112,073	$ 4,816	$ 16,204	$ 50,220	$ -	$ 187,119
Due from Other Funds	-	-	-	-	19,292	(19,292)	-
Receivables, Net	35	31,604	176	6,771	1	-	38,587
Total Current Assets	3,841	143,677	4,992	22,975	69,513	(19,292)	225,706
Noncurrent Assets:							
Nondepreciable Capital Assets	-	-	-	23,635	1	-	23,636
Capital Assets, Net	24,328	342	912	54,325	12,326	-	92,233
Total Noncurrent Assets	24,328	342	912	77,960	12,327	-	115,869
Total Assets	28,169	144,019	5,904	100,935	81,840	(19,292)	341,575
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows - OPEB	107	304	456	757	231	-	1,855
Deferred Outflows - Pension	542	1,522	2,278	3,974	983	-	9,299
Total Deferred Outflows	649	1,826	2,734	4,731	1,214	-	11,154
LIABILITIES							
Current Liabilities:							
Accounts Payable	598	44,328	327	1,487	2,011	-	48,751
Accrued Liabilities	46	102	101	302	5	-	556
Unearned Revenue	-	69	1	-	-	-	70
Due to Other Funds	-	-	-	15,659	3,633	(19,292)	-
Funds Held for Others	1	(2)	-	-	-	-	(1)
Other Liabilities	1	2	-	-	-	-	3
Other Liabilities	3,741	236,884	409	1,602	16	-	242,652
Total Current Liabilities	4,387	281,383	838	19,050	5,665	(19,292)	292,031
Noncurrent Liabilities:							
Net Pension Liability	3,449	9,682	14,495	25,291	6,256	-	59,173
Net OPEB Liability	340	968	1,455	2,414	736	-	5,913
Other Liabilities	2,494	241,639	413	6,323	-	-	250,869
Total Noncurrent Liabilities	6,283	252,289	16,363	34,028	6,992	-	315,955
Total Liabilities	10,670	533,672	17,201	53,078	12,657	(19,292)	607,986
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows - Pension	76	211	317	553	136	-	1,293
Deferred Inflows - OPEB	394	1,120	1,683	2,791	851	-	6,839
Total Deferred Inflows	470	1,331	2,000	3,344	987	-	8,132
NET POSITION							
Net Investment in Capital Assets	18,263	(2)	458	70,944	12,322	-	101,985
Restricted for Other Purposes	-	-	-	4,613	63,850	-	68,463
Unrestricted (Deficit)	(585)	(389,156)	(11,021)	(26,313)	(6,762)	-	(433,837)
Total Net Position	$ 17,678	$ (389,158)	$ (10,563)	$ 49,244	$ 69,410	$ -	$ (263,389)

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

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

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

	Fleet Operations	Risk Management	Printing and Records	Communication Services	Information Processing	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from:							
Fees for Service	$ 9,131	$ 506,473	$ 2,830	$ 53,171	$ 9,124	$ -	$ 580,729
Other Sources	-	59,196	40	-	1,348	-	60,584
Cash Payments to or for:							
Suppliers	(3,108)	(64,862)	(2,431)	(27,287)	(5,809)	-	(103,497)
Employees	(2,509)	(4,597)	(4,478)	(13,451)	(2,060)	-	(27,095)
Claims	-	(532,701)	-	-	-	-	(532,701)
Net Cash Provided (Used) by Operating Activities	3,514	(36,491)	(4,039)	12,433	2,603	-	(21,980)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers In	557	96,088	5,161	1,257	20,198	(25,710)	97,551
Transfers Out	(427)	(14,507)	(62)	(16,915)	(4,539)	25,710	(10,740)
Other Noncapital Financing	9	4,189	50	-	-	-	4,248
Net Cash Provided (Used) by Noncapital Financing Activities	139	85,770	5,149	(15,658)	15,659	-	91,059
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from Sale of Capital Assets	124	-	428	-	-	-	552
Capital Debt Service Payments - Principal	(3,200)	(45)	(205)	(1,977)	-	-	(5,427)
Capital Debt Service Payments - Interest	(28)	(1)	(9)	(146)	-	-	(184)
Other Capital Financing	-	-	-	1,307	-	-	1,307
Acquisition of Capital Assets	(2,276)	-	(163)	(2,839)	(10,452)	-	(15,730)
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,380)	(46)	51	(3,655)	(10,452)	-	(19,482)
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts of Interest and Dividends of Investments	-	12,332	-	-	-	-	12,332
NET INCREASE (DECREASE) IN CASH	(1,727)	61,565	1,161	(6,880)	7,810	-	61,929
Cash and Cash Equivalents - Beginning	5,533	50,508	3,655	23,084	42,410	-	125,190
CASH AND CASH EQUIVALENTS - ENDING	$ 3,806	$ 112,073	$ 4,816	$ 16,204	$ 50,220	$ -	$ 187,119
CASH AND CASH EQUIVALENTS							
Investment in the State General Fund Investment Pool	$ 3,806	$ 112,073	$ 4,816	$ 16,204	$ 50,220	$ -	$ 187,119

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

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

Public Employees Retirement Association - (PERA)

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

Educational Employees' Retirement System (EERS)

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

New Mexico Retiree Health Care Authority (RHCA)

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

Deferred Compensation Plan (IRC 457)

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

University of New Mexico Retiree Welfare Benefit Trust

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

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

	Public Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Total
ASSETS						
Cash and Short-Term Investments	$ 944,331	$ 304,000	$ -	$ -	$ 72,873	$ 1,321,204
Investment in State General Fund Investment Pool	50,212	12,296	79,083	20	-	141,611
Investments:						
Investment Pools at SIC	-	-	1,513,202	-	-	1,513,202
International Securities	1,945,885	-	-	-	-	1,945,885
Corporate Equity Securities	6,965,917	4,642,423	-	-	-	11,608,340
Corporate and Municipal Bonds	-	876,458	-	-	-	876,458
Partnerships and Other Investments	7,691,045	11,495,184	-	-	-	19,186,229
Securities Lending Collateral Investments	565,986	-	-	-	-	565,986
Deferred Compensation Plan Investments	-	-	-	840,689	-	840,689
Receivables:						
Brokers	84,534	3,540	-	-	-	88,074
Accrued Interest and Other	-	11,401	-	-	-	11,401
Accounts Receivable	24,942	149,442	17,711	25	4	192,124
Other State Agencies	200	-	3,856	-	-	4,056
Component Units	-	-	570	-	-	570
Participant Loans	-	-	86	10,526	-	10,612
Long-Term Receivables	-	-	531	-	-	531
Capital Assets, Net	10,883	13,632	1,371	-	-	25,886
Total Assets	18,283,935	17,508,376	1,616,410	851,260	72,877	38,332,858
LIABILITIES						
Accounts Payable	3,989	4,667	13,920	1	-	22,577
Accrued Liabilities	193	194	50	2	-	439
Due to Brokers	100,170	1,279	-	-	-	101,449
Unearned Revenue	-	-	275	-	-	275
Deposits Held in Trust	3,707	-	-	-	-	3,707
Other Liabilities	565,978	707	(1)	-	302	566,986
Long-Term Liabilities	2,784	3,316	20,201	12	-	26,313
Total Liabilities	676,821	10,163	34,445	15	302	721,746
NET POSITION						
Restricted for:						
Pension Benefits	17,607,114	17,498,213	-	-	72,575	35,177,902
Other Employee Benefits	-	-	1,581,965	-	-	1,581,965
Defined Contribution	-	-	-	851,245	-	851,245
Net Position	$ 17,607,114	$ 17,498,213	$ 1,581,965	$ 851,245	$ 72,575	$ 37,611,112

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

	Public Employees Retirement	Educational Employees Retirement System	New Mexico Retiree Health Care Authority	Deferred Compensation (IRC 457) Plan	UNM Retiree Welfare Benefit Trust	Eliminations	Total
ADDITIONS							
Contributions:							
Employee Contributions	$ 431,950	$ 438,000	$ 174,823	$ 50,055	$ 1,946	$ -	$ 1,096,774
Employer Contributions	527,102	770,384	191,041	-	1,946	-	1,490,473
Other	87	-	3,667	-	-	-	3,754
Total Contributions	959,139	1,208,384	369,531	50,055	3,892	-	2,591,001
Investment Income:							
Net Increase in Fair Value of Investments	303,510	111,180	3,701	16,328	7,248	-	441,967
Interest and Dividends	1,118,787	1,890,176	111,613	76,268	-	-	3,196,844
Subtotal	1,422,297	2,001,356	115,314	92,596	7,248	-	3,638,811
Less: Investment Expense	69,090	512,825	-	-	-	-	581,915
Net Investment Income	1,353,207	1,488,531	115,314	92,596	7,248	-	3,056,896
Other Additions:							
Other Operating Revenues	6,940	1,313	87,283	100	-	-	95,636
Total Other Additions	6,940	1,313	87,283	100	-	-	95,636
Total Additions	2,319,286	2,698,228	572,128	142,751	11,140	-	5,743,533
DEDUCTIONS							
Benefits and Claims	1,467,032	1,380,637	-	68,955	-	-	2,916,624
Refunds	52,845	67,049	458	-	-	-	120,352
General and Administrative Expenses	16,484	13,471	332,316	2,105	8	-	364,384
Other Operating Expenses	896	649	4,113	-	-	-	5,658
Total Deductions	1,537,257	1,461,806	336,887	71,060	8	-	3,407,018
CHANGE IN NET POSITION	782,029	1,236,422	235,241	71,691	11,132	-	2,336,515
Net Position - Beginning	16,825,085	16,261,791	1,346,724	779,554	61,443	-	35,274,597
NET POSITION - ENDING	$ 17,607,114	$ 17,498,213	$ 1,581,965	$ 851,245	$ 72,575	$ -	$ 37,611,112

State Investment Council

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

State Treasurer

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

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

	State Investment Council	State Treasurer	Total
ASSETS			
Cash and Cash Equivalents	$ 4,023	$ -	$ 4,023
Investment in Local Government Investment Pool	-	81	81
Investments	162,553	1,727,243	1,889,796
Receivables	5,169	4,528	9,697
Total Assets	171,745	1,731,852	1,903,597
LIABILITIES			
Other Liabilities	6,540	36,932	43,472
Total Liabilities	6,540	36,932	43,472
NET POSITION			
Held in Trust for External Investment Pool Participants	165,205	1,694,920	1,860,125
Net Position	$ 165,205	$ 1,694,920	$ 1,860,125

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

	State Investment Council	State Treasurer	Total
ADDITIONS			
Pool Participant Deposits	$ 11,552	$ 886,237	$ 897,789
Investment Income (Loss):			
Net Increase in Fair Value of Investments	148,861	36,418	185,279
Interest and Dividends	(125,867)	734	(125,133)
Total Additions	34,546	923,389	957,935
DEDUCTIONS			
General and Administrative Expenses	-	870	870
Distributions	17,911	644,340	662,251
Total Deductions	17,911	645,210	663,121
CHANGE IN NET POSITION	16,635	278,179	294,814
Net Position - Beginning	148,570	1,416,741	1,565,311
NET POSITION - ENDING	$ 165,205	$ 1,694,920	$ 1,860,125

Scholarship Fund

This grouping includes scholarship trust funds administered by the Higher Education Department and the Public Education Department.

Higher Education Savings Fund

The 529 Higher Education Savings Plan is a variable return college savings program that enables individuals to save and invest in order to fund future higher education expenses of a child or beneficiary. The program is designed to be a qualified tuition program under Section 529 of the IRC of 1986, as amended, and is maintained by the Education Trust Board.

Bartlett Trust Fund

The Cultural Affairs Department is the administrator of a trust fund which was privately endowed for the benefit of the Museum of International Folk Art.

Office of Superintendent of Insurance

This fund is comprised of two funds:

a) Patient's Compensation Fund – This is a medical malpractice insurance risk – assuming fund mandated by the Medical Malpractice Act.
b) Trust Fund for Policyholders and Creditors of insurance companies which have entered into receivership.

STATE OF NEW MEXICO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Scholarship	Higher Education Savings	Bartlett Trust	Office of State Insurance	Total
ASSETS					
Cash and Cash Equivalents	$ 20	$ 7,916	$ -	$ 23,226	$ 31,162
Investment in State General Fund Investment Pool	52	-	120	262,558	262,730
Investments:					
Investment Pools	-	2,340,528	-	662,025	3,002,553
Receivables:					
Accrued Interest and Other	-	8	-	-	8
Total Assets	72	2,348,452	120	947,809	3,296,453
LIABILITIES					
Accounts Payable	-	-	-	6,570	6,570
Accrued Liabilities	-	1,451	-	-	1,451
Unearned Revenue	-	-	-	55,806	55,806
Other Liabilities	-	108	-	289,322	289,430
Total Liabilities	-	1,559	-	351,698	353,257
NET POSITION					
Held in Trust for Other Purposes	72	2,346,893	120	596,111	2,943,196
Net Position	$ 72	$ 2,346,893	$ 120	$ 596,111	$ 2,943,196

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

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

Nonmajor Component Units

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

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

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

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

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

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

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
LIABILITIES									
Current Liabilities:									
Accounts Payable	$ 84	$ 76	$ -	$ 294	$ 7	$ 259	$ -	$ 50	$ -
Accrued Liabilities	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	647	-	-	-	-	-	-	-
Due to Primary Government	-	2,558	50	-	391	-	-	-	289
Funds Held for Others	-	-	-	-	622	-	-	-	-
Other Liabilities	-	-	-	-	-	53	-	-	-
Bonds Payable - Current Portion	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities - Current Portion	-	-	-	96	35	-	-	-	-
Total Current Liabilities	84	3,281	50	390	1,055	312	-	50	289
Noncurrent Liabilities:									
Bonds Payable	-	-	-	-	-	-	-	-	-
Due to Primary Government	-	-	-	3,897	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-	-
Net OPEB Liability	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities	-	-	-	369	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	4,266	-	-	-	-	-
Total Liabilities	84	3,281	50	4,656	1,055	312	-	50	289
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows - Pension	-	-	-	-	-	-	-	-	-
Deferred Inflows - OPEB	-	-	-	-	-	-	-	-	-
Deferred Inflows - Leases	-	-	165	-	-	-	-	-	-
Deferred Inflows - Other	-	-	-	-	-	-	-	-	-
Total Deferred Inflows	-	-	165	-	-	-	-	-	-
NET POSITION									
Net Investment in Capital Assets	-	-	1,130	5,774	305	-	-	-	-
Restricted:									
Nonexpendable	-	-	14,623	6,543	27,902	18,612	2,216	353	10,601
Expendable:									
Other Purposes	-	149	4,940	4,390	487	11,756	7,879	218	-
Unrestricted Net Position (Deficit)	11,588	3,224	22,957	3,536	165	2,797	12,094	120	(168)
Total Net Position (Deficit)	$ 11,588	$ 3,373	$ 43,650	$ 20,243	$ 28,859	$ 33,165	$ 22,189	$ 691	$ 10,433

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

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
LIABILITIES								
Current Liabilities:								
Accounts Payable	$ 72	$ 3	$ 889	$ 71	$ 27	$ 4,413	$ 24	$ 6,269
Accrued Liabilities	-	-	83	-	-	16,558	-	16,641
Unearned Revenue	31	-	1,308	27	-	325	-	2,338
Due to Primary Government	407	-	-	-	3,143	76	-	6,914
Funds Held for Others	-	-	-	-	-	-	-	622
Other Liabilities	-	-	-	-	1,360	2,071	-	3,484
Bonds Payable - Current Portion	-	-	-	-	-	23,098	-	23,098
Other Long-Term Liabilities - Current Portion	25	-	124	52	-	8,822	-	9,154
Total Current Liabilities	535	3	2,404	150	4,530	55,363	24	68,520
Noncurrent Liabilities:								
Bonds Payable	-	-	-	-	-	196,627	-	196,627
Due to Primary Government	-	-	-	-	-	-	-	3,897
Net Pension Liability	-	-	-	-	-	329,820	-	329,820
Net OPEB Liability	-	-	-	-	-	43,829	-	43,829
Other Long-Term Liabilities	-	-	7	28	-	25,854	-	26,258
Total Noncurrent Liabilities	-	-	7	28	-	596,130	-	600,431
Total Liabilities	535	3	2,411	178	4,530	651,493	24	668,951
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows - Pension	-	-	-	-	-	62,011	-	62,011
Deferred Inflows - OPEB	-	-	-	-	-	53,179	-	53,179
Deferred Inflows - Leases	-	-	-	-	-	-	-	165
Deferred Inflows - Other	-	-	3,286	-	-	729	-	4,015
Total Deferred Inflows	-	-	3,286	-	-	115,919	-	119,370
NET POSITION								
Net Investment in Capital Assets	-	-	20,893	5	-	54,783	-	82,890
Restricted:								
Nonexpendable	32,815	-	-	-	152,407	-	-	266,072
Expendable:								
Other Purposes	27,881	228	-	12,696	-	15,760	-	86,384
Unrestricted Net Position (Deficit)	24,768	46	1,677	-	1	(230,855)	2,915	(145,135)
Total Net Position (Deficit)	$ 85,464	$ 274	$ 22,570	$ 12,701	$ 152,408	$ (160,312)	$ 2,915	$ 290,211

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

	UNM Alumni Association	UNM Lobo Club	New Mexico Tech Foundation	New Mexico Highlands University Foundation	Western New Mexico University Foundation	Eastern New Mexico University Foundation	ENMU - Roswell Foundation	ENMU - Ruidoso Foundation	Northern New Mexico College Foundation
REVENUES									
Program Revenues:									
Charges for Services	$ 567	$ 563	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Grants and Contributions	-	7,550	2,251	1,104	1,179	652	24	40	258
Total Program Revenues	567	8,113	2,251	1,104	1,179	652	24	40	258
EXPENSES	788	7,857	3,140	1,626	1,030	2,111	394	221	282
REVENUES OVER (UNDER) EXPENSES	(221)	256	(889)	(522)	149	(1,459)	(370)	(181)	(24)
OTHER REVENUES AND EXPENSES									
Payment from State of New Mexico	-	-	-	-	-	-	-	-	-
Payment to State of New Mexico	(130)	-	-	-	-	-	-	-	-
Other	3	29	101	590	882	5,154	193	135	-
Investment Income	1,292	36	3,689	1,252	1,268	1,460	3,498	51	5,814
Total Other Revenues and Expenses	1,165	65	3,790	1,842	2,150	6,614	3,691	186	5,814
CHANGE IN NET POSITION	944	321	2,901	1,320	2,299	5,155	3,321	5	5,790
Net Position - Beginning	10,644	3,052	40,749	18,923	26,560	28,010	18,868	686	4,643
NET POSITION - ENDING (DEFICIT)	$ 11,588	$ 3,373	$ 43,650	$ 20,243	$ 28,859	$ 33,165	$ 22,189	$ 691	$ 10,433

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

	New Mexico Military Institute Foundation	New Mexico School for Visually Impaired Foundation	Cumbres & Toltec Scenic RR Commission	New Mexico Renewable Transmission Authority	New Mexico Small Business Investment Corp.	Charter Schools	New Mexico Hospital Equipment Loan Council	Total Nonmajor Component Units
REVENUES								
Program Revenues:								
Charges for Services	$ 722	$ -	$ 5,502	$ 481	$ -	$ 2,256	$ 110	$ 10,201
Operating Grants and Contributions	1,688	54	2,448	-	-	95,310	-	112,558
Total Program Revenues	2,410	54	7,950	481	-	97,566	110	122,759
EXPENSES	2,741	45	8,304	1,312	483	323,685	111	354,130
REVENUES OVER (UNDER) EXPENSES	(331)	9	(354)	(831)	(483)	(226,119)	(1)	(231,371)
OTHER REVENUES AND EXPENSES								
Payment from State of New Mexico	-	-	-	-	27,088	265,178	-	292,266
Payment to State of New Mexico	-	-	-	-	-	-	-	(130)
Other	-	-	348	-	-	26,911	(7)	34,339
Investment Income	8,187	16	6	427	3,922	-	136	31,054
Total Other Revenues and Expenses	8,187	16	354	427	31,010	292,089	129	357,529
CHANGE IN NET POSITION	7,856	25	-	(404)	30,527	65,970	128	126,158
Net Position - Beginning	77,608	249	22,570	13,105	121,881	(226,282)	2,787	164,053
NET POSITION - ENDING (DEFICIT)	$ 85,464	$ 274	$ 22,570	$ 12,701	$ 152,408	$ (160,312)	$ 2,915	$ 290,211

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Financial Trends Information

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

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Revenue Capacity Information

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

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

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Demographics and Economic Information

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Operating Information

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

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STATISTICAL SECTION INFORMATION

Other Information

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

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Sources: Unless otherwise noted, the information in the following schedules is derived from the State of New Mexico Annual Financial Report.

Note: The statements which comprise the Statistical Section have not been audited.

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Governmental Activities:					
Net Investment in Capital Assets	$ 7,590,996	$ 6,998,390	$ 6,533,650	$ 6,212,235	$ 5,971,617
Restricted	63,615,298	53,960,311	42,996,897	37,944,662	30,024,134
Unrestricted	(3,746,933)	(3,536,668)	(3,860,356)	(4,103,700)	(4,658,434)
Total Governmental Activities Net Position	$ 67,459,361	$ 57,422,033	$ 45,670,191	$ 40,053,197	$ 31,337,317
Business-Type Activities:					
Net Investment in Capital Assets	$ 2,396,173	$ 2,238,573	$ 2,031,156	$ 1,845,399	$ 1,808,184
Restricted	1,814,948	1,648,971	1,576,707	1,519,236	1,113,160
Unrestricted	(1,137,073)	(1,953,436)	(2,014,143)	(1,891,399)	(970,769)
Total Business-Type Activities Net Position	$ 3,074,048	$ 1,934,108	$ 1,593,720	$ 1,473,236	$ 1,950,575
Primary Government:					
Net Investment in Capital Assets	$ 9,987,169	$ 9,236,963	$ 8,564,806	$ 8,057,634	$ 7,779,801
Restricted	65,430,246	55,609,282	44,573,604	39,463,898	31,137,294
Unrestricted	(4,884,006)	(5,490,104)	(5,874,499)	(5,995,099)	(5,629,204)
Total Primary Government Net Position	$ 70,533,409	$ 59,356,141	$ 47,263,911	$ 41,526,433	$ 33,287,891

* Implementation of GASB 68 - Effective FY15

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental Activities:					
Net Investment in Capital Assets	$ 5,826,283	$ 5,866,806	$ 5,904,225	$ 5,930,820	$ 5,356,468
Restricted	27,579,790	25,740,851	23,268,593	18,311,421	12,658,737
Unrestricted	(3,216,115)	(4,690,920)	(3,311,309)	(326,978)	7,158,005
Total Governmental Activities Net Position	$ 30,189,958	$ 26,916,737	$ 25,861,508	$ 23,915,263	$ 25,173,210
Business-Type Activities:					
Net Investment in Capital Assets	$ 1,770,690	$ 1,755,991	$ 1,742,099	$ 1,654,692	$ 1,589,677
Restricted	1,386,077	1,319,357	1,251,369	1,317,251	987,021
Unrestricted	(1,905,986)	(1,547,653)	(846,457)	(975,829)	(827,718)
Total Business-Type Activities Net Position	$ 1,250,781	$ 1,527,695	$ 2,147,011	$ 1,996,114	$ 1,748,980
Primary Government:					
Net Investment in Capital Assets	$ 7,596,973	$ 7,622,797	$ 7,646,323	$ 7,585,511	$ 6,946,145
Restricted	28,965,865	27,060,209	24,519,962	19,628,672	13,645,758
Unrestricted	(5,122,101)	(6,238,579)	(4,157,768)	(1,302,806)	6,330,287
Total Primary Government Net Position	$ 31,440,739	$ 28,444,427	$ 28,008,517	$ 25,911,377	$ 26,922,190

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

	Fiscal Year				
	2024	2023	2022	2021	2020
PROGRAM EXPENSES					
Governmental Activities:					
General Control	$ 2,322,896	$ 1,913,234	$ 1,146,779	$ 2,091,970	$ 946,145
Culture, Recreation, and Natural Resources	731,495	259,482	326,191	260,481	294,254
Highway and Transportation	1,099,613	1,003,382	920,656	871,871	952,604
Judicial	429,703	385,550	358,032	313,217	367,458
Legislative	38,748	35,330	26,873	24,595	26,741
Public Safety	912,554	755,849	632,544	519,118	593,994
Regulation and Licensing	332,214	316,661	165,869	434,683	207,749
Health and Human Services	13,075,258	12,914,840	12,410,828	10,784,332	9,447,582
Education	6,044,528	5,236,537	4,654,985	3,989,681	3,929,465
Interest	72,896	63,668	135,183	132,809	112,126
Special Items:					
Reduction of Receivable, Internal Service Fund	-	-	-	-	-
Total Governmental Activities Expenses	25,059,905	22,884,532	20,777,940	19,422,757	16,878,118
Business-Type Activities:					
Educational Institutions	3,954,505	4,244,860	4,012,425	4,881,052	2,802,996
Public Schools Insurance	530,541	442,918	439,580	404,049	397,157
Environmental Loans	1,384	4,452	5,466	2,638	1,387
Miners' Colfax Medical Center	36,736	45,316	41,055	32,893	40,490
Unemployment Insurance	223,018	175,949	425,382	2,716,542	1,547,564
State Fair	17,535	16,204	14,598	8,691	15,007
Other Business-Type Activities	25,916	24,939	20,122	16,479	19,248
Special Items	-	-	-	-	-
Total Business-Type Activities Expenses	4,789,635	4,954,637	4,958,628	8,062,344	4,823,850
Total Primary Government Expenses	$ 29,849,541	$ 27,839,170	$ 25,736,568	$ 27,485,101	$ 21,701,968

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

	Fiscal Year				
	2019	2018	2017 as Restated	2016	2015
PROGRAM EXPENSES					
Governmental Activities:					
General Control	$ 949,925	$ 1,244,170	$ 1,722,398	$ 1,706,181	$ 993,220
Culture, Recreation, and Natural Resources	263,383	247,368	247,510	239,104	203,319
Highway and Transportation	876,159	805,736	824,522	987,512	1,051,567
Judicial	341,818	306,806	304,097	315,829	255,761
Legislative	28,024	24,068	26,834	23,184	29,626
Public Safety	548,909	534,228	552,421	498,391	480,286
Regulation and Licensing	194,956	175,084	124,269	118,405	126,917
Health and Human Services	7,864,173	7,982,533	8,008,413	8,008,413	7,401,005
Education	3,483,071	3,167,364	3,286,148	3,554,909	4,024,669
Interest	130,183	123,439	115,594	123,083	131,154
Special Items:					
Reduction of Receivable, Internal Service Fund	-	-	-	-	977
Total Governmental Activities Expenses	14,680,601	14,610,795	15,212,206	15,575,011	14,698,501
Business-Type Activities:					
Educational Institutions	3,844,396	3,645,245	3,383,288	3,126,892	3,041,713
Public Schools Insurance	370,389	354,996	383,282	395,579	363,373
Environmental Loans	2,726	1,526	1,949	2,266	441
Miners' Colfax Medical Center	37,506	34,807	33,180	31,295	24,967
Unemployment Insurance	137,995	166,040	178,334	195,506	193,479
State Fair	15,919	16,357	16,124	14,841	15,417
Other Business-Type Activities	22,845	20,536	18,869	16,524	18,199
Special Items	-	-	-	866	-
Total Business-Type Activities Expenses	4,431,776	4,239,508	4,015,026	3,783,769	3,657,589
Total Primary Government Expenses	$ 19,112,378	$ 18,850,302	$ 19,227,232	$ 19,358,780	$ 18,356,090

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

	Fiscal Year				
	2024	2023	2022	2021	2020
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Control	$ 3,340,947	$ 3,633,122	$ 2,608,228	$ 1,170,449	$ 2,227,030
Culture, Recreation, and Natural Resources	2,592,067	2,793,054	2,461,709	1,297,090	66,086
Highway and Transportation	117,607	119,232	117,602	116,341	108,044
Judicial	16,653	15,220	13,584	12,505	15,655
Public Safety	10,159	9,888	9,434	8,273	11,753
Regulation and Licensing	59,659	64,970	94,658	80,805	44,733
Health and Human Services	268,446	251,447	226,341	219,276	199,137
Education	10,269	8,529	11,515	7,383	6,464
Operating Grants and Contributions	11,193,969	12,445,085	11,394,256	10,609,948	7,750,233
Capital Grants and Contributions	583,575	482,551	484,294	480,552	462,264
Total Governmental Activities Program Revenues	18,193,351	19,823,098	17,421,621	14,002,622	10,891,399
Business-Type Activities:					
Charges for Services:					
Educational Institutions	2,547,041	1,947,792	2,019,164	1,976,449	1,768,685
Public Schools Insurance	484,978	438,435	413,906	403,369	393,010
Environmental Loans	8,803	5,162	1,566	2,088	-
Miners' Colfax Medical Center	29,654	27,627	26,917	17,859	13,001
Unemployment Insurance	191,876	146,972	113,048	780,811	121,004
State Fair	13,939	13,666	8,773	390	10,239
Other Business-Type Activities	21,929	19,631	18,425	17,184	18,814
Operating Grants and Contributions	620,393	608,117	1,157,358	2,908,576	1,919,974
Capital Grants and Contributions	30,411	57,753	12,869	31,836	7,751
Total Business-Type Activities Program Revenues	3,949,024	3,265,155	3,772,026	6,138,562	4,252,478
Total Primary Government Program Revenues	$ 18,193,351	$ 23,088,253	$ 21,193,647	$ 20,141,184	$ 15,143,877
NET REVENUE (EXPENSE)					
Governmental Activities	$ (6,866,554)	$ (3,061,434)	$ (3,356,319)	$ (5,420,135)	$ (5,986,719)
Business-Type Activities	(840,611)	(1,689,482)	(1,186,602)	(1,923,782)	(571,372)
Total Primary Government Net Expense	$ (7,707,165)	$ (4,750,916)	$ (4,542,921)	$ (7,343,917)	$ (6,558,091)

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

	Fiscal Year				
	2019	2018	2017 as Restated	2016	2015
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Control	$ 2,795,908	$ 1,958,862	$ 1,581,393	$ 1,457,352	$ 1,880,869
Culture, Recreation, and Natural Resources	57,330	70,071	64,956	63,474	59,392
Highway and Transportation	115,639	111,792	109,835	110,754	105,215
Judicial	17,873	17,706	17,011	15,620	6,243
Public Safety	44,304	12,641	9,326	9,345	9,162
Regulation and Licensing	41,915	41,178	34,304	35,218	45,558
Health and Human Services	167,077	173,479	159,894	147,373	135,431
Education	6,474	6,862	7,346	7,362	8,726
Operating Grants and Contributions	6,453,390	6,850,440	6,595,050	6,855,527	6,356,248
Capital Grants and Contributions	376,591	-	-	-	-
Total Governmental Activities Program Revenues	10,076,501	9,243,031	8,579,115	8,702,025	8,606,844
Business-Type Activities:					
Charges for Services:					
Educational Institutions	1,732,441	1,665,364	1,642,869	1,521,460	1,567,129
Public Schools Insurance	375,555	373,489	378,957	363,949	351,731
Environmental Loans	-	-	-	-	-
Miners' Colfax Medical Center	16,875	22,031	21,396	26,672	17,450
Unemployment Insurance	189	243	235	361	-
State Fair	12,182	11,469	11,722	11,928	11,556
Other Business-Type Activities	22,099	20,666	17,280	13,954	16,304
Operating Grants and Contributions	663,285	697,032	896,071	595,057	627,067
Capital Grants and Contributions	22,997	12,437	11,607	6,906	12,524
Total Business-Type Activities Program Revenues	2,845,623	2,802,731	2,980,137	2,540,287	2,603,761
Total Primary Government Program Revenues	$ 12,922,124	$ 12,045,762	$ 11,559,252	$ 11,242,312	$ 11,210,605
NET REVENUE (EXPENSE)					
Governmental Activities	$ (4,693,509)	$ (5,367,765)	$ (6,633,091)	$ (6,872,986)	$ (6,091,657)
Business-Type Activities	(1,586,154)	(1,436,776)	(1,034,889)	(1,243,482)	(1,053,828)
Total Primary Government Net Expense	$ (6,279,663)	$ (6,804,541)	$ (7,667,980)	$ (8,116,468)	$ (7,145,485)

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

	Fiscal Year				
	2024	2023	2022	2021	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Individual Income Tax	$ 2,046,878	$ 1,621,993	$ 1,424,390	$ 1,837,492	$ 1,715,499
Corporate Income Tax	640,784	440,208	335,978	147,434	63,000
Gross Receipts Taxes	4,147,401	4,224,494	3,640,515	3,000,606	3,115,214
Business Privilege	6,144,466	6,360,453	5,757,836	3,069,393	2,530,032
Unemployment Insurance	-	-	-	-	-
Other Taxes	122,019	70,450	48,333	15,087	35,080
Investment Income	4,490,045	2,873,705	(1,531,190)	6,671,245	316,768
Capital Gain	-	-	(35)	139	7,703
Nonoperating Investment Income and Other	-	-	-	-	-
Other Financing Sources Related to Leases	-	-	201	-	-
Other Revenue	811,771	612,743	267,488	298,326	298,789
Special Item - Potential Loss SGFIP	-	-	-	-	-
Special Item - Indian Water Rights Settlement	-	-	-	-	(15)
Special Item - AZ Water Settlement	-	-	-	-	-
Transfers	(1,499,482)	(1,390,769)	(907,838)	(914,694)	(940,448)
Total Governmental Activities	16,903,882	14,813,277	9,035,678	14,125,028	7,141,622
Business-Type Activities:					
Taxes:					
Other Taxes	-	-	-	-	-
Investment Income (Loss)	79,535	98,625	(62,068)	125,456	22,741
Special Item Loss of Discontinuance	-	-	(88,267)	(7,482)	-
Nonoperating Investment Income and Other	-	-	-	-	34,408
Other Financing Sources Related to Leases	-	-	41	-	-
Other Revenue	339,765	540,319	566,280	415,326	275,299
Transfers	1,499,482	1,390,769	907,838	914,694	940,448
Total Business-Type Activities	1,918,782	2,029,713	1,323,824	1,447,994	1,272,896
Total Primary Government	$ 18,822,664	$ 16,842,990	$ 10,359,502	$ 15,573,022	$ 8,414,517
CHANGE IN NET POSITION					
Governmental Activities	$ 10,037,328	$ 11,751,843	$ 5,679,360	$ 8,704,893	$ 1,154,903
Business-Type Activities	1,078,171	340,231	137,222	(475,788)	701,524
Total Primary Government	$ 11,115,499	$ 12,092,074	$ 5,816,581	$ 8,229,105	$ 1,856,427

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

	Fiscal Year				
	2019	2018	2017 as Restated	2016	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Individual Income Tax	$ 1,713,643	$ 1,581,590	$ 1,418,070	$ 1,320,154	$ 1,451,288
Corporate Income Tax	179,781	(67,093)	76,274	118,502	262,600
Gross Receipts Taxes	2,869,466	2,541,586	2,168,168	2,109,889	4,238,670
Business Privilege	2,531,119	2,212,070	1,863,055	1,622,513	-
Unemployment Insurance	18,510	14,529	7,200	18,970	-
Other Taxes	4,849	7,154	3,545	7,055	33,424
Investment Income	1,407,043	1,949,319	2,548,331	909,846	1,212,060
Capital Gain	7,792	404	-	-	-
Nonoperating Investment Income and Other	-	155	68	34	-
Other Financing Sources Related to Leases	-	-	-	-	-
Other Revenue	201,773	234,541	629,959	629,959	129,035
Special Item - Potential Loss SGFIP	-	-	-	-	100,000
Special Item - Indian Water Rights Settlement	-	-	-	(12,436)	(15,561)
Special Item - AZ Water Settlement	-	-	9,040	9,040	9,040
Transfers	(843,055)	(727,311)	(1,084,495)	(1,084,495)	(797,559)
Total Governmental Activities	8,090,920	7,746,944	7,639,216	5,649,032	6,622,997
Business-Type Activities:					
Taxes:					
Other Taxes	126,103	167,975	205,143	342,488	269,593
Investment Income (Loss)	23,776	14,276	13,742	9,838	9,292
Special Item Loss of Discontinuance	-	-	-	-	-
Nonoperating Investment Income and Other	50,206	27,865	47,929	21,465	
Other Financing Sources Related to Leases	-	-	-	-	-
Other Revenue	258,532	260,061	123,959	242,772	244,201
Transfers	843,055	727,311	831,243	831,243	797,559
Total Business-Type Activities	1,301,673	1,197,489	1,222,016	1,447,806	1,320,645
Total Primary Government	$ 9,392,593	$ 8,944,432	$ 8,861,232	$ 7,096,838	$ 7,943,642
CHANGE IN NET POSITION					
Governmental Activities	$ 3,397,411	$ 2,379,179	$ 1,006,124	$ (1,223,955)	$ 531,340
Business-Type Activities	(284,481)	(239,287)	187,127	204,324	266,817
Total Primary Government	$ 3,112,929	$ 2,139,893	$ 1,193,253	$ (1,019,629)	$ 798,157

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

	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund:					
Nonspendable	$ 501,981	$ 55,345	$ 52,590	$ 52,580	$ 46,026
Restricted	792,414	13,913,099	8,791,420	4,556,671	3,389,316
Committed	-	93,045	37,390	48,062	45,460
Assigned	-	145,357	158,751	25,065	12,923
Unassigned	64,075	598,490	427,031	356,122	532,328
Total General Fund	$ 1,358,470	$ 14,805,336	$ 9,467,182	$ 5,038,500	$ 4,026,053
All Other Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	$ 43	$ 2,000	$ -	$ -	$ -
Restricted	104	41,949,338	36,103,646	34,773,091	26,933,416
Committed	-	2,520	20	20	-
Assigned	-	-	-	-	41
Unassigned (Deficit)	2,000	(44,372)	(33,657)	(21,357)	(6,817)
Total All Other Governmental Funds	$ 2,147	$ 41,909,487	$ 36,070,010	$ 34,751,754	$ 26,926,640
All Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	$ 502,024	$ 57,345	$ 52,590	$ 52,580	$ 46,026
Restricted	792,518	55,862,437	44,895,066	39,329,762	30,322,732
Committed	-	95,565	37,410	48,082	45,460
Assigned	-	145,357	158,751	25,065	12,964
Unassigned (Deficit)	66,075	554,118	393,375	334,765	525,513
Total All Governmental Funds	$ 1,360,617	$ 56,714,823	$ 45,537,192	$ 39,790,255	$ 30,952,693

* Implementation of GASB 54 - Effective FY10

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

	Fiscal Year				
	2019	2018	2017	2016	2015
General Fund:					
Nonspendable	$ 47,309	$ 61,378	$ 59,626	$ 64,166	$ 52,433
Restricted	1,389,540	1,159,544	835,483	890,206	916,201
Committed	35,352	38,294	388,030	250,021	695,182
Assigned	15,472	11,572	9,088	9,989	16,395
Unassigned	1,607,072	882,313	4,895	(120,451)	189,932
Total General Fund	$ 3,094,745	$ 2,153,101	$ 1,297,122	$ 1,093,931	$ 1,870,143
All Other Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	$ -	$ -	$ -	$ -	$ 10,000,000
Restricted	26,689,046	24,609,102	22,503,741	20,783,582	10,987,671
Committed	-	514	1,959	11,315	10,758
Assigned	150	-	-	-	-
Unassigned (Deficit)	(3)	9,553	(3,329)	(9,342)	-
Total All Other Governmental Funds	$ 26,689,193	$ 24,619,169	$ 22,502,371	$ 20,785,555	$ 20,998,429
All Governmental Funds:					
Post-GASB 54 Implementation:					
Nonspendable	$ 47,309	$ 61,378	$ 59,626	$ 64,166	$ 10,052,433
Restricted	28,078,586	25,768,646	23,339,224	21,673,788	11,903,872
Committed	35,352	38,808	389,989	261,336	705,940
Assigned	15,622	11,572	9,088	9,989	16,395
Unassigned (Deficit)	1,607,069	891,866	1,566	(129,793)	189,932
Total All Governmental Funds	$ 29,783,938	$ 26,772,270	$ 23,799,493	$ 21,879,486	$ 22,868,572

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

	Fiscal Year				
	2024	2023	2022	2021	2020
REVENUES					
Taxes	$ 13,092,599	$ 12,697,561	$ 11,163,043	$ 8,020,634	$ 7,402,984
Federal	11,747,878	12,502,598	11,913,097	11,028,954	8,207,807
Interest and Other Investment Income (Loss)	4,484,509	2,873,705	(1,531,551)	6,671,007	311,027
Rentals and Royalties	5,353,935	5,936,951	4,671,215	2,064,447	1,871,338
Charges for Services	223,685	209,754	193,778	177,892	165,893
Licenses, Fees, and Permits	419,525	366,838	348,939	338,765	310,474
Assessments *	55,507	52,420	47,430	43,215	46,289
Other Revenues	798,153	614,101	251,044	285,083	321,663
Total Revenues	36,175,791	35,253,928	27,056,995	28,629,997	18,637,475
EXPENDITURES					
Current:					
Culture, Recreation, and Natural Resources	725,548	252,798	321,970	263,873	271,368
Education	6,046,229	5,238,143	4,441,370	3,995,767	3,926,195
General Control	1,278,570	1,161,992	828,625	1,546,468	414,139
Heath and Human Services	13,114,581	12,952,559	12,395,672	10,880,703	9,408,746
Highways and Transportation	812,994	739,070	585,769	519,970	556,756
Judicial	436,783	393,753	372,489	345,789	347,330
Legislative	38,180	34,604	28,171	26,532	25,855
Public Safety	914,254	761,757	646,520	557,020	574,944
Regulation and Licensing	331,806	321,085	165,249	437,354	200,198
Capital Outlay	958,735	872,681	792,061	649,771	543,938
Debt Service:					
Principal	2,017,301	1,461,940	858,409	730,374	892,163
Interest	137,487	126,590	119,189	94,305	114,062
Total Expenditures	26,812,468	24,316,972	21,555,494	20,047,926	17,275,695
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,363,323	10,936,956	5,501,501	8,582,071	1,361,780
OTHER FINANCING SOURCES (USES)					
Bonds Issued	1,505,715	1,539,199	964,189	974,808	701,709
Bond Premium	-	59,060	100,393	130,009	17,947
Refunding Bond Issue	-	-	51,777	107,346	-
Proceeds from the Sale of Capital Assets	4,999	1,926	3,307	1,057	1,836
Operating Transfers In	12,552,125	5,878,981	5,292,395	3,095,754	1,502,549
Operating Transfers Out	(14,135,705)	(7,326,274)	(6,206,988)	(4,016,147)	(2,449,323)
Payment to Refunded Bond Escrow Agent	-	-	(51,981)	(113,803)	-
Miscellaneous Other Financing Sources (Uses)	89,438	87,120	111,735	-	-
Total Other Financing Sources (Uses)	16,572	240,012	264,827	179,024	(225,282)
SPECIAL ITEM					
Reduction of Loss Contingency	-	-	-	-	-
Native American Water Rights Settlement	-	-	-	-	-
Arizona Water Settlement	-	-	-	-	-
Total Special Items	-	-	-	-	-
Total other Financing Sources (Uses) and Special Items	16,572	240,012	264,827	179,024	(225,282)
NET CHANGE IN FUND BALANCES	$ 9,379,895	$ 11,176,968	$ 5,766,328	$ 8,761,095	$ 1,136,498
Debt Service as a Percentage of Noncapital Expenditures	8.3%	6.8%	4.7%	4.3%	4.8%

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

	Fiscal Year				
	2019	2018	2017 as Restated	2016	2015
REVENUES					
Taxes	$ 7,096,167	$ 6,401,737	$ 5,472,102	$ 5,197,084	$ 5,923,849
Federal	6,734,473	6,848,354	6,595,840	6,856,707	6,363,684
Interest and Other Investment Income (Loss)	1,402,273	1,948,254	2,540,517	912,262	1,211,998
Rentals and Royalties	2,246,843	1,403,151	1,002,692	888,424	1,281,002
Charges for Services	168,392	173,087	164,565	119,509	124,674
Licenses, Fees, and Permits	318,456	319,293	294,482	307,532	295,282
Assessments *	14,983	12,803	13,820	14,389	-
Other Revenues	388,654	257,393	781,248	633,628	202,935
Total Revenues	18,370,240	17,364,072	16,865,266	14,929,535	15,403,424
EXPENDITURES					
Current:					
Culture, Recreation, and Natural Resources	243,938	228,675	230,478	223,328	210,368
Education	3,480,930	3,166,486	3,285,298	3,554,249	4,025,302
General Control	467,422	550,302	981,271	1,600,674	487,468
Heath and Human Services	7,855,655	7,975,718	7,737,341	7,996,609	7,355,734
Highways and Transportation	503,931	420,625	448,401	740,977	462,267
Judicial	325,644	300,587	298,224	306,727	250,360
Legislative	27,331	23,992	26,725	23,022	27,696
Public Safety	540,565	515,112	535,834	482,558	470,406
Regulation and Licensing	188,274	169,142	116,252	111,747	121,567
Capital Outlay	487,503	405,338	352,204	118,018	444,308
Debt Service:					
Principal	567,644	382,549	298,168	282,120	284,766
Interest	120,424	190,182	123,810	109,886	128,197
Total Expenditures	14,809,261	14,328,708	14,434,007	15,549,915	14,268,439
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,560,979	3,035,364	2,431,259	(620,380)	1,134,985
OTHER FINANCING SOURCES (USES)					
Bonds Issued	310,118	539,370	45,815	474,018	141,635
Bond Premium	7,170	154,128	5,463	82,239	43,146
Refunding Bond Issue	-	420,096	-	181,395	79,405
Proceeds from the Sale of Capital Assets	1,577	1,751	1,226	1,803	1,136
Operating Transfers In	2,172,675	8,604,858	8,030,490	7,182,543	7,233,253
Operating Transfers Out	(3,019,190)	(9,336,219)	(8,739,680)	(7,918,883)	(8,035,458)
Payment to Refunded Bond Escrow Agent	-	(450,865)	-	(208,143)	(96,083)
Miscellaneous Other Financing Sources (Uses)	-	-	-	-	-
Total Other Financing Sources (Uses)	(527,650)	(66,881)	(656,687)	(205,028)	(632,966)
SPECIAL ITEM					
Reduction of Loss Contingency	-	-	-	-	93,479
Native American Water Rights Settlement	-	-	-	(12,436)	-
Arizona Water Settlement	-	-	-	(9,040)	-
Total Special Items	-	-	-	(21,476)	93,479
Total other Financing Sources (Uses) and Special Items	(527,650)	(66,881)	(656,687)	(226,504)	(539,487)
NET CHANGE IN FUND BALANCES	$ 3,033,329	$ 2,968,483	$ 1,774,572	$ (846,884)	$ 595,498
Debt Service as a Percentage of Noncapital Expenditures	4.8%	4.1%	3.0%	2.5%	3.0%

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

	Fiscal Year				
	2024	2023	2022 as Restated	2021 as Restated	2019 as Restated
REVENUES					
Taxes and License Fees:					
General and Selective Sales Taxes:					
Gross Receipts	$ 4,048,573	$ 3,954,164	$ 3,424,014	$ 2,799,239	$ 2,942,128
Compensating	83,157	93,866	63,139	63,893	63,578
Tobacco (Luxury)	71,109	81,140	82,813	90,529	88,809
Alcoholic Beverage	24,026	24,485	25,023	24,575	24,610
Insurance	369,989	390,850	320,850	292,664	259,170
Fire Protection	-	-	-	-	-
Racing	-	-	-	-	-
Private Car	-		999	762	552
Motor Vehicle and Other Excise Tax	167,257	164,724	155,261	174,061	137,769
Gaming Tax	67,722	72,062	68,365	24,655	46,005
Leased Vehicles Gross Receipts and Surcharge	3,951	3,709	3,286	3,099	4,711
Gasoline Tax	5,570	739	2,547	851	596
Telecommunications Relay Surcharge	50	13	95	203	113
Boat Excise Tax	417	368	360	441	290
Total General and Selective Sales Tax	4,841,821	4,786,120	4,146,752	3,474,972	3,568,332
Income Taxes:					
Gross Withholding	122,656	183,429	198,996	159,802	100,329
Final Settlements	2,034,742	1,507,614	1,194,645	1,643,503	1,577,189
Less:					
Transfer - Retiree Health Care	-	-	-	-	-
Transfer - PIT Suspense and Others	-	-	-	-	-
Net Personal Income Taxes	2,157,398	1,691,043	1,393,641	1,803,304	1,677,518
Corporate Taxes	627,150	439,140	343,853	149,666	63,198
Estate Taxes	-	-	-	-	-
Fiduciary Taxes	35,815	-	34,979	3,107	14,343
Total Income Taxes	2,820,362	2,130,182	1,772,471	1,956,077	1,755,060
Severance Taxes:					
Oil and Gas School Tax	1,810,562	1,987,797	1,865,805	763,113	388,671
7% Oil Conservation	106,204	109,966	99,655	39,597	29,510
Resources Excise	7,865	9,200	8,716	6,751	7,148
Natural Gas Processors	53,519	35,120	10,195	10,504	14,764
Total Severance Taxes	1,978,150	2,142,083	1,984,370	819,965	440,093
Total Taxes	9,640,333	9,058,385	7,903,594	6,251,014	5,763,485
License Fees:					
Manufactured Housing	-	-	-	-	70
Trade and Professions License	11,122	26,128	-	-	23,457
Corporate Filing	5,315	4,400	5,103	4,278	4,176
Alcoholic Beverages and Gaming	-	456	-	-	-
Financial Institutions	-	-	-	-	3,396
Corporate Special	-	-	-	-	-
Construction Industries	-	(1)	(1)	-	4,890
Gaming License and Permit Fees	300	1,087	345	299	313
Securities Receipts	-	-	-	-	2,531
Public Utilities	15,773	17,051	15,545	17,067	11,464
Pipeline Fees	407	202	306	164	170
Motor Vehicles Miscellaneous Fees	-	-	(1,115)	368	228
MVD Penalty Assessments	448	556	3,600	3,323	3,771
Total License Fees	33,367	49,881	23,785	25,499	54,464
Total Taxes and License Fees	9,673,700	9,108,266	7,927,379	7,929,094	6,305,477

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

	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 as Restated	2016	2015
REVENUES					
Taxes and License Fees:					
General and Selective Sales Taxes:					
Gross Receipts	$ 2,669,415	$ 2,381,082	$ 2,013,548	$ 1,975,416	$ 2,095,153
Compensating	78,380	56,102	48,529	46,882	71,840
Tobacco (Luxury)	75,424	78,368	77,887	79,819	82,348
Alcoholic Beverage	25,295	23,811	7,376	6,732	26,263
Insurance	216,347	213,597	227,464	207,904	189,953
Fire Protection	-	1,020	-	15,069	15,156
Racing	765	1,084	1,096	1,130	670
Private Car	931	860	663	703	660
Motor Vehicle and Other Excise Tax	152,523	154,008	145,238	150,395	138,701
Gaming Tax	64,886	62,054	59,523	63,050	70,409
Leased Vehicles Gross Receipts and Surcharge	5,727	5,528	5,489	5,536	5,236
Gasoline Tax	971	358	(380)	867	(1,152)
Telecommunications Relay Surcharge	66	58	59	69	123
Boat Excise Tax	282	347	325	195	184
Total General and Selective Sales Tax	3,291,012	2,978,277	2,586,817	2,553,767	2,695,544
Income Taxes:					
Gross Withholding	166,318	923,665	872,299	1,200,151	1,179,123
Final Settlements	1,500,831	614,620	504,741	508,566	535,298
Less:					
Transfer - Retiree Health Care	-	(26,507)	-	(29,519)	(26,678)
Transfer - PIT Suspense and Others	-	-	-	(359,043)	(355,541)
Net Personal Income Taxes	1,667,149	1,511,778	1,377,040	1,320,155	1,332,202
Corporate Taxes	22,808	106,601	70,156	118,502	254,477
Estate Taxes	-	-	-	1	1
Fiduciary Taxes	4,865	7,180	3,635	7,053	7,510
Total Income Taxes	1,694,822	1,625,559	1,450,831	1,445,711	1,594,190
Severance Taxes:					
Oil and Gas School Tax	555,356	450,787	304,262	236,818	375,423
7% Oil Conservation	28,702	22,885	17,368	11,375	20,091
Resources Excise	7,834	8,569	9,649	11,203	13,345
Natural Gas Processors	15,125	10,841	10,307	20,354	18,594
Total Severance Taxes	607,017	493,082	341,586	279,750	427,453
Total Taxes	5,592,851	5,096,918	4,379,234	4,279,228	4,717,187
License Fees:					
Manufactured Housing	462	432	419	375	753
Trade and Professions License	-	-	-	-	-
Corporate Filing	3,881	4,042	3,437	3,327	4,020
Alcoholic Beverages and Gaming	4,960	4,075	4,186	4,028	3,931
Financial Institutions	3,747	3,564	3,480	3,455	3,556
Corporate Special	-	-	2,984	2,955	3,308
Construction Industries	4,909	5,543	4,700	6,092	6,199
Gaming License and Permit Fees	373	6,365	577	353	416
Securities Receipts	22,340	22,267	22,399	22,016	21,267
Public Utilities	14,493	14,538	11,021	12,040	12,129
Pipeline Fees	242	207	137	153	196
Motor Vehicles Miscellaneous Fees	596	401	-	20	100
MVD Penalty Assessments	4,484	4,632	4,271	4,009	5,658
Total License Fees	60,487	66,066	57,611	58,823	61,533
Total Taxes and License Fees	5,823,972	5,658,917	5,154,529	4,438,057	4,340,761

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

	Fiscal Year				
	2024	2023	2022 as Restated	2021 as Restated	2019 as Restated
OTHER REVENUE SOURCES					
Investment Income:					
State Land Grant Permanent Fund Income	$ -	$ -	$ -	$ -	$ -
Earnings on State Balances	390,495	181,378	(118,318)	5,348	91,751
Severance Tax Permanent Fund Earnings	-	-	-	-	-
Total Interest Earnings	390,495	181,378	(118,318)	5,348	91,751
Rents and Royalties:					
Federal Mineral Leasing	2,824,709	3,192,349	2,256,717	811,496	817,116
Land Office	-	-	-	-	69,858
Tribal Revenue Sharing	83,597	78,163	71,434	48,166	51,677
Total Rents and Royalties	2,908,306	3,270,512	2,328,151	859,662	938,651
Miscellaneous Receipts and Fees:					
Environment Department Filing Fees	30,912	996	5,370	1,847	677
Administrative Fees	-	-	-	2,728	-
Media Lease Payments	-	-	-	-	-
Fines and Forfeitures	2,744	2,879	2,717	2,528	3,107
Birth and Death Certificates	-	-	1,203	1,232	1,192
District Judge Receipts	1,077	978	812	893	1,010
Notary Public Fees	932	923	(168)	653	46
Legislative Receipts	-	-	-	591	9
Workmen's Compensation Fees	388	660	578	751	884
Health Care Quality Surcharge	351		36	78	1,096
Law Enforcement Protection	-	-	-	-	-
Small County Assistance	-	-	-	-	-
Supreme Court Fees	-	-	-	-	-
Unclaimed Property	37,931	36,587	27,111	29,481	15,565
Restitution Payments	4,262	(403)	291	251	204
Total Miscellaneous Receipts and Fees	78,597	42,620	37,949	41,034	23,790
Other Revenues:					
Miscellaneous Nonrecurring	22	30	22	482	219
Transfers - Reversions	-	-	-	-	-
Total Other Revenues	22	30	22	482	219
Total Other Revenue Sources	3,377,420	3,494,540	2,247,804	2,251,347	889,020
Total Revenues	$ 13,051,119	$ 12,602,805	$ 10,175,182	$ 10,178,725	$ 8,818,114

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

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

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

	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 as Restated	2016	2015
OTHER REVENUE SOURCES					
Investment Income:					
State Land Grant Permanent Fund Income	$ -	$ -	$ -	$ 555,103	$ 502,757
Earnings on State Balances	86,880	5,945	(3,230)	25,224	24,160
Severance Tax Permanent Fund Earnings	-	-	-	193,510	182,723
Total Interest Earnings	86,880	5,945	(3,230)	773,837	709,640
Rents and Royalties:					
Federal Mineral Leasing	1,146,800	564,232	435,692	47,817	42,235
Land Office	132,454	111,845	71,490	390,005	542,184
Tribal Revenue Sharing	78,430	68,092	62,717	64,413	67,178
Total Rents and Royalties	1,357,684	744,169	569,899	502,235	651,597
Miscellaneous Receipts and Fees:					
Environment Department Filing Fees	1,082	1,260	747	1,241	4,212
Administrative Fees	-	-	-	-	-
Media Lease Payments	-	-	22	18	19
Fines and Forfeitures	3,563	3,932	4,241	4,514	5,241
Birth and Death Certificates	1,175	1,260	1,184	1,043	1,019
District Judge Receipts	1,095	1,146	1,096	947	925
Notary Public Fees	683	658	743	984	681
Legislative Receipts	22	13	26	14	28
Workmen's Compensation Fees	699	390	7	3	5
Health Care Quality Surcharge	-	-	-	-	-
Law Enforcement Protection	-	-	-	15,297	7,641
Small County Assistance	-	-	-	11	5,809
Supreme Court Fees	1	1	1	1	1
Unclaimed Property	28,089	20,113	23,030	19,789	24,644
Restitution Payments	91	42	176	201	269
Total Miscellaneous Receipts and Fees	36,499	28,815	31,273	44,063	50,494
Other Revenues:					
Miscellaneous Nonrecurring	138	173	970	39,616	36,136
Transfers - Reversions	-	-	366,208	56,367	59,163
Total Other Revenues	138	173	367,178	95,983	95,299
Total Other Revenue Sources	1,067,039	1,473,552	1,148,565	706,714	1,421,865
Total Revenues	$ 7,372,516	$ 7,297,524	$ 6,807,482	$ 5,861,243	$ 5,859,922

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Taxable Gross Receipts (in Thousands):					
Agriculture, Forestry, and Fishing	$ 222,213	$ 124,523	$ 251,871	$ 124,832	$ 175,237
Mining	11,600,049	11,073,103	7,969,653	3,883,084	7,310,833
Construction	12,739,548	11,100,617	9,027,400	6,612,931	10,989,995
Manufacturing	3,695,215	3,147,379	3,649,339	1,549,363	2,306,998
Transportation	1,641,185	1,537,645	1,499,545	846,609	1,187,865
Communications and Utilities	3,035,958	3,235,541	4,589,831	3,723,750	6,120,717
Wholesale Trade	4,526,408	4,507,202	2,290,375	2,211,281	3,648,654
Retail Trade	20,289,023	19,520,364	17,011,431	11,334,814	16,425,084
Finance, Insurance, and Real Estate	3,264,226	2,945,664	2,511,559	1,677,853	2,582,843
Services and Other	7,289,089	6,488,255	27,328,590	19,425,400	30,267,240
Public Administration	101,573	52,116	27,645	535,586	883,472
Total Taxable Gross Receipts	$ 68,404,487	$ 63,732,409	$ 76,157,239	$ 51,925,503	$ 81,898,938
State Gross Receipts Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%
Personal Income by Industry (in Millions):					
Federal Civilian	$ 4,020	$ 3,750	$ 4,103	$ 3,605	$ 3,397
Federal Military	1,853	1,708	1,836	1,556	1,459
State and Local Government	12,176	11,454	13,522	10,572	10,470
Farm Earnings	1,062	884	1,527	1,227	1,036
Forestry, Fishing, and Related Activities	182	159	181	176	170
Mining	3,853	2,962	4,109	2,104	2,656
Utilities	548	559	842	566	522
Construction	4,895	3,926	4,132	3,981	4,001
Manufacturing	2,688	2,466	3,123	2,212	2,210
Wholesale Trade	1,881	1,744	1,856	1,533	1,569
Retail	4,490	4,361	5,632	4,048	3,669
Transportation and Warehousing	2,396	2,151	2,632	1,821	1,858
Information	1,074	1,056	1,863	875	829
Financial, Insurance, Real Estate, Rental, and Leasing	4,528	4,334	3,696	3,325	3,094
Services	20,164	332	24,562	22,874	21,959
Other[1]	51,020	58,985	47,233	41,089	35,532
Total Personal Income	$ 116,830	$ 100,831	$ 120,849	$ 101,564	$ 94,431
Highest Income Tax Rate	4.9%	4.9%	4.9%	4.9%	4.9%

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Taxable Gross Receipts (in Thousands):					
Agriculture, Forestry, and Fishing	$ 126,252	$ 126,940	$ 111,430	$ 106,156	$ 84,720
Mining	6,815,136	4,834,724	2,213,846	2,328,158	4,144,544
Construction	8,027,002	7,428,957	6,312,982	6,537,914	6,331,176
Manufacturing	2,084,012	1,617,171	1,315,416	1,607,798	2,238,013
Transportation	1,175,605	836,920	571,482	668,207	867,443
Communications and Utilities	5,384,324	5,161,295	4,673,015	5,281,589	5,134,386
Wholesale Trade	3,529,917	2,698,455	1,786,231	2,030,984	2,544,689
Retail Trade	14,780,421	13,041,456	11,045,865	12,063,308	12,553,764
Finance, Insurance, and Real Estate	2,338,187	2,032,733	1,559,574	1,613,419	1,630,999
Services and Other	26,756,441	22,338,845	17,675,223	19,824,081	19,219,587
Public Administration	901,867	425,736	587,747	665,833	673,442
Total Taxable Gross Receipts	$ 71,919,164	$ 60,543,232	$ 47,852,811	$ 52,727,447	$ 55,422,763
State Gross Receipts Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%
Personal Income by Industry (in Millions):					
Federal Civilian	$ 3,335	$ 3,373	$ 3,220	$ 3,103	$ 3,110
Federal Military	1,398	1,323	1,321	1,265	1,215
State and Local Government	9,976	9,596	9,379	9,836	9,860
Farm Earnings	767	793	889	664	1,088
Forestry, Fishing, and Related Activities	169	163	170	142	145
Mining	3,013	2,638	2,532	2,393	3,035
Utilities	511	490	490	533	503
Construction	3,659	3,474	3,368	3,146	3,111
Manufacturing	1,868	1,717	1,372	1,606	2,118
Wholesale Trade	1,538	1,456	1,517	1,491	1,442
Retail	3,599	3,549	3,667	3,670	3,546
Transportation and Warehousing	1,713	1,578	1,550	1,503	1,569
Information	914	845	812	859	927
Financial, Insurance, Real Estate, Rental, and Leasing	2,855	2,721	2,732	2,652	2,725
Services	21,462	20,359	19,782	19,465	18,166
Other[1]	32,843	30,596	27,992	28,063	27,490
Total Personal Income	$ 89,620	$ 84,671	$ 80,793	$ 80,391	$ 80,050
Highest Income Tax Rate	4.9%	4.9%	4.9%	4.9%	4.9%

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

	Fiscal Year 2024				Calendar Year 2016			
	Number of Outlets	Percent of Total	Taxable Gross Receipts	Percent of Total	Number of Outlets	Percent of Total	Taxable Gross Receipts	Percent of Total
Agriculture, Forestry, and Fishing	11,370	0.5%	$ 222,213	0.3%	4,086	0.4%	$ 54,047	0.1%
Mining	23,738	0.9%	11,600,049	17.1%	9,752	1.0%	2,998,455	7.7%
Construction	162,389	6.4%	12,739,548	18.8%	101,298	10.6%	4,257,409	10.9%
Manufacturing	305,112	12.0%	3,695,216	5.5%	42,542	4.4%	1,607,519	4.1%
Transportation	32,572	1.3%	1,641,185	2.4%	13,402	1.4%	543,996	1.4%
Communications and Utilities	14,052	0.6%	5,108,219	7.5%	7,309	0.8%	1,908,054	4.9%
Wholesale Trade	328,463	12.9%	4,526,408	6.7%	53,838	5.6%	1,790,115	4.6%
Retail Trade	1,251,667	49.2%	20,289,023	29.8%	198,243	20.7%	9,268,342	23.7%
Finance, Insurance, and Real Estate	135,750	5.3%	556,420	0.8%	46,800	4.9%	1,106,612	2.8%
Services and Other	275,683	10.8%	7,289,089	10.7%	479,048	50.1%	15,112,166	38.7%
Public Administration	1,908	0.1%	101,573	0.1%	1,922	0.2%	378,243	1.0%
Total Number of Outlets and Total Taxable Gross Revenues	2,542,704	100.0%	$ 67,768,943	99.7%	958,240	100.1%	$ 39,024,958	99.9%
State Gross Receipts Tax Rate	5.1%				5.1%			

Source: 2015 New Mexico Department of Taxation and Revenue, Monthly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code
Source: 2023 New Mexico Department of Taxation and Revenue, Quarterly RP-80 Reports: Gross Receipts by Geographic Area and 6-digit NAICS Code

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

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

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

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

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

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

Year	Top Tax Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of: Single	Married Filing Jointly	Head of Household	Average Effective Rate, As Restated
2024	4.9%	$ 16,000	$ 24,000	$ 24,000	N/A
2023	4.9%	16,000	24,000	24,000	N/A
2022	4.9%	16,000	24,000	24,000	N/A
2021	4.9%	16,000	24,000	24,000	N/A
2020	4.9%	16,000	24,000	24,000	N/A
2019	4.9%	16,000	24,000	24,000	N/A
2018	4.9%	16,000	24,000	24,000	N/A
2017	4.9%	16,000	24,000	24,000	N/A
2016	4.9%	16,000	24,000	24,000	N/A
2015	4.9%	16,000	24,000	24,000	N/A

Source: New Mexico Department of Taxation and Revenue

STATE OF NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2024	2023	2022	2021	2020 as Restated
Governmental Activities:					
General Obligation	$ 447,170	$ 541,270	$ 414,365	$ 505,295	$ 421,700
Severance Tax Bonds	1,091,095	1,268,165	1,110,570	964,035	680,245
Revenue Bonds	737,705	892,555	1,053,950	958,018	1,094,670
Bond Premium, Discount, Net *	243,886	196,781	318,871	292,066	223,793
Lease Liabilities**	536,710	529,058	436,734	-	-
Total Governmental Activities	3,056,566	3,427,829	3,334,490	2,719,414	2,420,407
Business-Type Activities*:					
General Obligation	18,275	720	1,260	2,130	-
Revenue Bonds	605,283	706,907	736,312	788,814	823,419
Bond Premium, Discount, Net*	23,944	-	23,788	28,564	39,278
Lease Liabilities**	55,587	-	54,106	173	546
Total Primary Government	684,814	706,907	814,207	817,551	863,243
Total Debt	$ 3,741,380	$ 4,134,736	$ 4,148,697	$ 3,536,965	$ 3,283,651
New Mexico Personal Income	$ 123,207,200	$ 103,237,501	$ 103,237,501	$ 102,375,900	$ 101,386,400
Debt as a Percentage of Personal Income	3.0%	4.0%	4.0%	3.5%	3.2%
New Mexico Population	2,130	2,113	2,113	2,116	2,101
General Obligation Debt Per Capita	$ 210	$ 256	$ 196	$ 239	$ 201
Total Long-Term Debt Per Capita	$ 1,757	$ 1,956	$ 1,963	$ 1,672	$ 1,563

Note: Total Printing Gov. is incorrect
This Line S/B Total BTA

STATE OF NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated
Governmental Activities:					
General Obligation	$ 350,925	$ 260,760	$ 260,760	$ 389,270	$ 311,270
Severance Tax Bonds	814,370	876,115	876,115	641,415	760,080
Revenue Bonds	1,221,323	1,367,542	1,367,542	1,558,689	1,520,839
Bond Premium, Discount, Net *	257,989	237,638	237,638	257,935	-
Lease Liabilities**	-	-	-	-	-
Total Governmental Activities	2,644,607	2,742,055	2,742,055	2,847,309	2,592,189
Business-Type Activities*:					
General Obligation	-	-	-	-	-
Revenue Bonds	865,272	869,404	869,404	763,824	808,463
Bond Premium, Discount, Net*	41,791	46,147	43,961	42,649	31,519
Lease Liabilities**	938	1,054	1,054	1,502	1,919
Total Primary Government	908,001	916,605	914,419	807,975	841,901
Total Debt	$ 3,552,608	$ 3,658,660	$ 3,656,474	$ 3,655,284	$ 3,434,090
New Mexico Personal Income	$ 86,328,400	$ 81,483,543	$ 81,483,543	$ 79,104,093	$ 76,449,091
Debt as a Percentage of Personal Income	4.1%	4.5%	4.5%	4.6%	4.5%
New Mexico Population	2,095	2,088	2,088	2,080	2,083
General Obligation Debt Per Capita	$ 167	$ 125	$ 125	$ 187	$ 149
Total Long-Term Debt Per Capita	$ 1,675	$ 1,752	$ 1,751	$ 1,757	$ 1,649

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Governmental Activities:					
General Obligation Bonds	$ 447,170	$ 541,270	$ 414,365	$ 505,295	$ 421,700
Severance Tax Bonds	1,091,095	1,268,165	1,110,570	964,035	680,245
Revenue Bonds	737,705	908,875	1,053,950	958,018	1,094,669
Bond Premium, Discount, Net *	243,886	309,549	318,871	292,066	223,794
Notes Payable	-	-	-	-	-
Deferred Loss on Refunding, Net *	-	-	-	-	-
Claims and Judgments	478,005	235,940	206,032	167,336	152,392
Hedging Derivatives - Interest Rate Swaps	-	-	-	-	-
Native American Water Settlement Liability **	23,753	46,757	51,291	70,543	91,543
Contingent Liabilities	29,792	-	20,900	-	22
Compensated Absences	110,423	101,383	97,508	94,674	83,605
Pollution Remediation Obligation	58,336	53,733	41,608	41,067	41,666
Net Pension Liability	4,177,698	3,960,251	3,043,770	3,953,370	3,429,456
Net OPEB Liability	399,639	543,772	782,224	994,857	774,289
Reserve for Losses	-	-	-	-	-
Lease Liabilities	536,710	529,020	436,734	-	-
Other Liabilities	51,948	17,090	550,945	648,370	578,826
Total Governmental Activities	8,386,161	8,515,806	8,128,768	8,689,631	7,572,207
Business-Type Activities:					
Revenue Bonds	623,558	672,469	736,314	788,814	823,419
Bond Premium, Discount, Net *	23,944	27,257	23,785	28,568	39,279
Compensated Absences	116,897	112,446	107,556	113,414	99,083
Reserve for Losses	131,615	110,900	104,813	107,531	101,940
Notes Payable	9,550	11,993	8,235	9,325	13,506
Insurance Claims Payable	12,193	8,151	11,651	5,662	9,953
Net OPEB Obligation	366,503	370,945	397,667	424,370	385,030
Derivative Instruments - Interest Rate Swaps	563	1,059	2,129	6,001	8,375
Student Loans	7,691	8,421	9,433	11,371	12,069
Environmental Cleanup	5,434	5,434	5,434	5,434	5,434
Net Pension Liability	2,313,867	2,301,724	1,982,851	5,511,724	2,188,285
Lease Liabilities	55,587	66,109	54,106	173	546
Other Liabilities	409,306	322,564	207,474	198,810	174,049
Total Business-Type Activities	4,076,706	4,019,470	3,651,448	7,211,197	3,860,969
Total Primary Government Long-Term Liabilities	$ 12,462,867	$ 12,535,276	$ 11,780,216	$ 15,900,828	$ 11,433,175

Notes to Schedule:

Details regarding the liabilities listed above can be found in Note 8, Changes in Long-term Liabilities, in the financial statements.
*In prior years, bond premium, discount, and loss on refunding was not stated separately.

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

	Fiscal Year				
	2019	2018 As Restated	2017	2016	2015 As Restated
Governmental Activities:					
General Obligation Bonds	$ 350,925	$ 260,760	$ 326,755	$ 429,764	$ 311,270
Severance Tax Bonds	814,370	876,115	955,045	641,415	760,080
Revenue Bonds	1,221,323	1,367,542	1,281,950	1,423,069	1,520,839
Bond Premium, Discount, Net *	257,988	200,994	279,305	217,441	252,771
Notes Payable	1,250	-	14,000	5,755	1,581
Deferred Loss on Refunding, Net *	-	-	-	100,167	96,042
Claims and Judgments	166,593	180,149	195,471	100,461	259,855
Hedging Derivatives - Interest Rate Swaps	-	84,090	119,015	100,167	96,042
Native American Water Settlement Liability **	69,706	60,850	62,100	287,910	-
Contingent Liabilities	29,516	3,678	20,051	-	-
Compensated Absences	68,795	63,982	64,051	58,112	62,339
Pollution Remediation Obligation	27,457	42,651	44,278	287,910	47,129
Net Pension Liability	3,341,570	3,264,743	2,299,659	1,843,467	-
Net OPEB Liability	1,035,068	-	-	-	-
Reserve for Losses	-	-	-	-	100,000
Lease Liabilities	-	51,690	53,045	53,199	-
Other Liabilities	451,647	-	-	52,307	212,200
Total Governmental Activities	7,836,208	6,457,243	5,714,725	5,601,144	3,720,148
Business-Type Activities:					
Revenue Bonds	865,272	899,736	653,372	695,552	808,463
Bond Premium, Discount, Net *	41,791	43,960	42,649	31,519	15,429
Compensated Absences	87,588	86,356	84,906	20,853	80,180
Reserve for Losses	98,169	89,501	87,453	-	69,988
Notes Payable	11,285	12,985	14,051	-	-
Insurance Claims Payable	-	-	-	-	-
Net OPEB Obligation	432,298	67,969	61,333	-	-
Derivative Instruments - Interest Rate Swaps	7,186	8,604	13,350	-	-
Student Loans	15,060	15,726	18,592	-	-
Environmental Cleanup	5,434	5,434	5,434	-	-
Net Pension Liability	3,485,718	2,125,341	1,913,152	-	-
Lease Liabilities	938	1,054	1,308	1,023	1,919
Other Liabilities	56,714	11,076	-	56,579	184,094
Total Business-Type Activities	5,107,453	3,367,742	2,895,600	805,526	1,160,073
Total Primary Government Long-Term Liabilities	$ 12,943,661	$ 9,824,984	$ 8,610,325	$ 6,406,670	$ 4,880,221

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Net Taxable Value of Property Subject to Taxation	$ 108,183,361	$ 88,517,562	$ 88,883,819	$ 70,313,555	$ 70,648,048
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	1,081,834	885,176	888,838	703,136	706,480
General Obligation Bonds	309,913	541,220	414,365	505,295	260,760
Total General Debt Outstanding	309,913	541,220	414,365	505,295	260,760
Legal Debt Margin	$ 771,921	$ 343,956	$ 474,473	$ 197,841	$ 445,720
Legal Debt Margin as a Percentage of the Debt Limit	71.4%	38.9%	53.4%	28.1%	63.1%

Note to Schedule:

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

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

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

	Fiscal Year				
	2019	2018	2017 As Restated	2016	2015
Net Taxable Value of Property Subject to Taxation	$ 66,919,238	$ 60,698,949	$ 57,451,756	$ 56,625,171	$ 58,412,965
Statutory Debt Limit	1.0%	1.0%	1.0%	1.0%	1.0%
Debt Limit Amount	669,192	606,989	574,518	566,252	584,130
General Obligation Bonds	326,755	389,270	311,270	372,700	296,890
Total General Debt Outstanding	326,755	389,270	311,270	372,700	296,890
Legal Debt Margin	$ 342,437	$ 217,719	$ 263,248	$ 193,552	$ 287,240
Legal Debt Margin as a Percentage of the Debt Limit	51.2%	35.9%	45.8%	34.2%	49.2%

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Annual Deposits into Severance Tax Bonding Fund	$ 2,236,814	$ 2,410,670	$ 2,153,990	$ 870,761	$ 646,300
50.0% of Annual Deposits	1,118,407	1,205,335	1,076,995	435,381	323,150
Statutory Debt Limit Amount	1,118,407	1,205,335	1,076,995	435,381	323,150
Senior Bond Servicing Amount *	226,530	226,530	208,274	428,500	146,965
Statutory Debt Margin Amount	$ 891,877	$ 978,805	$ 868,721	$ 6,881	$ 176,185
Statutory Debt Margin as a Percentage of Debt Limit	79.7%	81.2%	80.7%	1.6%	54.5%

Notes to Schedule:

The State Board of Finance is prohibited by the Severance Tax Bonding Act from issuing Senior Severance Tax Bonds unless the aggregate amount of total Senior Severance Tax Bonds outstanding, including the bonds to be issued, can be serviced with not more than 50 percent of the annual deposits into the Bonding Fund, as determined by the deposits during the fiscal year preceding the issuance of the bonds.

* Does not include payment on refunded bonds, which are paid from escrowed securities, payments on short-term debt issued by the State Treasurer and paid in the same year issued, or payments on Supplemental Bond Series.

Sources: New Mexico Office of the State Treasurer audited financial statements.
New Mexico Board of Finance, Severance Tax Bonds, Bond Series 2012A Official Statement.

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Annual Deposits into Severance Tax Bonding Fund	$ 672,441	$ 511,115	$ 342,317	$ 254,966	$ 426,331
50.0% of Annual Deposits	336,221	255,558	171,159	127,483	213,166
Statutory Debt Limit Amount	336,221	255,558	171,159	127,483	213,166
Senior Bond Servicing Amount *	129,737	142,160	144,766	16,489	129,042
Statutory Debt Margin Amount	$ 206,484	$ 113,398	$ 26,393	$ 110,994	$ 84,124
Statutory Debt Margin as a Percentage of Debt Limit	61.4%	44.4%	15.4%	87.1%	39.5%

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

Fiscal Year	Pledged Revenues Received	Annual Debt Service Principal	Annual Debt Service Interest	Coverage
Severance Tax Bonds (Including Supplemental Subordinate Liens):				
2024	$ 2,410,670	$ 135,715	$ 44,914	13.3
2023	2,410,670	135,715	44,914	13.3
2022	2,153,990	158,544	44,179	10.6
2021	870,761	128,115	28,612	5.6
2020	646,300	134,125	34,255	3.8
2019	672,441	129,300	37,224	4.0
2018	511,115	124,745	36,780	3.2
2017	342,317	124,745	39,485	2.1
2016	254,966	118,345	15,257	1.9
2015	426,331	-	18,301	23.3
2014	414,956	224,525	55,539	1.5
Highway Infrastructure Bonds:				
2024	$ 171,236	$ -	$ 2,778	61.6
2023	996,818	133,329	41,195	5.7
2022	1,066,719	162,596	37,307	5.3
2021	944,216	10,740	42,845	17.6
2020	923,500	107,110	48,116	5.9
2019	837,915	103,290	51,541	5.4
2018	914,621	96,925	52,907	6.1
2017	848,903	93,655	63,798	5.4
2016	791,378	68,640	64,753	5.9
2015	385,211	84,080	68,080	2.5
2014	385,116	106,610	71,053	2.2
Energy and Minerals Bonds:				
2024	$ -	$ -	$ -	0.0
2023	597	128	3	4.6
2022	7,648	539	42	13.2
2021	6,237	476	62	11.6
2020	6,200	457	80	11.5
2019	1,077	439	96	2.0
2018	10,136	422	120	18.7
2017	9,462	2,819	198	3.1
2016	8,970	2,008	347	3.8
2015	8,763	1,967	439	3.6
2014	13,652	2,863	645	3.9

N/A Data not available.

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

UNM - Health Science is included in Educational in 2020.

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

Fiscal Year	Pledged Revenues Received	Annual Debt Service Principal	Annual Debt Service Interest	Coverage
Cultural Affairs Bonds and Loan:				
2024	$ 509	$ 0	$ 0	0.0
2023	895	574	13	1.5
2022	865	557	26	1.5
2021	862	550	38	1.5
2020	868	581	50	1.4
2019	916	568	60	1.5
2018	892	558	65	1.4
2017	1,010	699	70	1.3
2016	821	331	128	1.8
2015	835	320	139	1.8
2014	455	459	224	0.7
Miners' Colfax Medical Center Bonds:				
2024	$ 4,740	$ 1,170	$ 174	3.5
2023	7,577	1,110	149	6.0
2022	2,533	3,933	176	0.6
2021	7,616	1,060	203	6.0
2020	1,500	1,030	229	1.2
2019	2,954	1,008	252	2.3
2018	6,722	980	282	5.3
2017	6,317	955	315	5.0
2016	6,651	935	337	5.2
2015	5,759	910	277	4.9
2014	5,752	835	423	4.6
State Fair (EXPO) Bonds:				
2024	$ -	$ -	$ -	0.0
2023	-	-	-	0.0
2022	-	-	-	0.0
2021	-	-	-	0.0
2020	-	-	-	0.0
2019	-	-	-	0.0
2018	-	-	-	0.0
2017	448	689	12	0.6
2016	1,070	687	36	1.5
2015	1,070	628	70	1.5
Spaceport Authority Bonds:				
2024	$ 11,389	$ 4,421	$ 200	2.5
2023	10,777	4,399	222	2.3
2022	10,826	4,313	225	2.4
2021	13,595	3,565	2,083	2.4
2020	5,000	3,425	2,224	0.9
2019	4,216	3,280	2,367	0.7
2018	7,053	3,145	2,502	1.2
Debt not issued in prior years.				

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

Fiscal Year	Pledged Revenues Received	Annual Debt Service Principal	Annual Debt Service Interest	Coverage
Bernalillo County Metropolitan Court:				
2024	$ 5,382	$ 3,570	$ 366	1.4
2023	3,381	3,795	536	0.8
2022	2,533	3,933	698	0.5
2021	1,970	3,070	851	0.5
2020	3,922	2,925	997	1.0
Reported on NMFA in Prior Years				
Educational Institutions:				
2024	$ -	$ -	$ -	0.0
2023	640,000	52,688	22,490	8.5
2022	632,049	48,123	26,320	8.5
2021	632,049	48,802	33,247	7.7
2020	2,907,000	44,793	36,528	35.7
Reported on NMFA in Prior Years				
University of New Mexico Health Sciences:				
2024	$ -	$ -	$ -	
2023	-	-	-	0.0
2022	-	2,920	-	0.0
2021	-	2,919	735	0.0
2020	-	-	-	0.0
Reported on UNM in Prior Years				
General Services Department:				
2024	$ 12,140	$ 6,319	$ 5,694	1.0
2023	11,726	5,639	6,084	1.0
2022	464,109	11,394	6,338	26.2
2021	6,809	4,549	6,560	0.6
2018	16,100	5,019	7,139	1.3

STATE OF NEW MEXICO
DEMOGRAPHIC AND ECONOMIC INDICTORS
LAST TEN FISCAL YEARS

Year	Population	Personal Income	Per Capita Personal Income	Median Age	* Percent High School Grad or Higher (Pop=25 Yrs & >)	Public School Enrollment
2024	2,130,256	$ 123,207,200,000	$ 55,343	39.4	86.8	309,093
2023	2,114,371	116,432,000,000	55,067	38.3	87.1	316,660
2022	2,113,344	103,237,501,000	48,850	38.1	86.8	322,989
2021	2,115,877	102,375,900,000	48,385	37.8	85.6	318,621
2020	2,100,566	101,386,400,000	48,266	38.1	86.0	333,020
2019	2,095,428	86,328,400,000	41,198	37.3	85.0	335,829
2018	2,095,428	86,328,400,000	41,198	37.3	85.0	335,829
2017	2,088,070	83,127,300,000	39,811	37.2	84.6	338,370
2016	2,081,015	80,758,305,000	38,807	37.4	84.2	339,613
2015	2,080,328	79,104,093,000	38,025	37.2	84.2	340,365

Notes to Schedule:

Personal Income, Per capita Personal Income and median Age data are as of 2023 data. 23 population data represents estimates based on the 2023 census. 2017 is Restated

Statistics were revised to indicate the percentage of individuals that have attained educational levels instead of the average educational level as was done in prior years.

* Education level and years of schooling has been replaced with Percent High School Graduate or Higher

Sources: Population, Per Capita Personal Income - New Mexico Bureau of Business and Economic Research, University of New Mexico School Enrollment - New Mexico Department of Finance and Administration, Office of Education and Accountability Personal Income - Department of Commerce Bureau of Economic Analysis, Education - Census.gov B15002 American Fact Finder, PEPASR6H GeographyNMYR2012Population Estimates, bea.gov. www.ped.state.nm.us

STATE OF NEW MEXICO
PRINCIPAL EMPLOYERS
MOST CURRENT CALENDAR YEAR AND HISTORICAL COMPARISON

	Calendar Year 2024*			Calendar Year 2018**		
Entity Name	Number of Employees	Rank	Percent of All Employees	Number of Employees	Rank	Percent of All Employees
State of New Mexico (Total Offices, Departments, etc.)	31,100	1	3.4%	18,359	2	2.1%
Federal Government	28,900	2	3.2%	21,766	1	2.5%
Sandia National Laboratories	15,100	3	1.7%	12,206	4	1.4%
Walmart Corporate	14,725	4	1.6%	14,725	3	1.7%
Los Alamos National Laboratories	14,150	5	1.6%	14,150	8	1.6%
UNM University	11,875	6	1.3%	11,875	6	1.4%
Presbyterian Healthcare	11,575	7	1.3%	11,178	5	1.3%
Albuquerque Public Schools	10,150	8	1.1%	10,297	7	1.2%
City of Albuquerque	5,800	9	0.6%	5,800	9	0.7%
McDonalds	4,675	10	0.5%	N/A	NA	N/A
Total Employees of Principal Employers	148,050		16.4%	120,356		13.8%

Notes to Schedule:

Number of employees is based on a calendar year average.
Rankings are based on the employers identified, there may be larger employers not identified from sources available.
Some data sources only included locations that had in excess of 100 employees.
* Used 2022, data for 2023 was not available.
** Used 2017, data for 2014-2016 was not available.

Source: NM Partnership - New Mexico Largest Employers

STATE OF NEW MEXICO
COMPOSITION OF LABOR FORCE
LAST TEN CALENDAR YEARS

	Calendar Year				
	2024	2023	2022	2021	2020
Nonagricultural Jobs:					
Government	190,800	190,800	184,800	173,800	186,300
Mining	23,700	24,100	21,000	18,800	18,600
Construction	54,600	53,200	52,600	51,100	49,500
Manufacturing	30,200	30,700	29,400	29,600	26,300
Trade, Transportation and Utilities	145,800	146,500	139,900	139,000	135,400
Information	8,800	10,400	9,800	8,200	9,900
Financial Activity	35,500	33,500	32,500	33,800	32,300
Professional and Business Services	122,600	113,600	116,400	113,100	107,800
Education and Health Services	145,400	149,500	146,900	137,100	135,600
Leisure and Hospitality	106,200	99,100	99,300	94,600	67,600
Other Services	30,200	28,200	27,600	28,400	25,900
Total Nonagricultural Jobs	893,800	879,600	860,200	827,500	795,200
Civilian Labor Force	974,627	969,463	938,167	969,048	960,100
Total Employed	935,535	930,977	901,310	913,408	877,700
Unemployed	39,092	38,486	36,857	55,640	82,400
Unemployment Rate	4.0%	4.0%	3.9%	4.8%	8.6%
Seasonally Adjusted Rate	4.0%	4.0%	3.7%	5.8%	8.6%

Source: New Mexico Department of Workforce Solutions, U.S. Department of Labor Statistics 2023 Data unavailable

STATE OF NEW MEXICO
COMPOSITION OF LABOR FORCE (CONTINUED)
LAST TEN CALENDAR YEARS

	Calendar Year				
	2019	2018	2017	2016 as Restated	2015 as Restated
Nonagricultural Jobs:					
Government	190,300	183,600	186,500	188,900	189,300
Mining	26,300	20,300	20,800	19,800	25,600
Construction	52,200	46,900	45,700	43,400	43,500
Manufacturing	27,700	26,900	26,400	26,900	27,800
Trade, Transportation and Utilities	140,900	136,300	136,600	138,700	139,600
Information	11,300	11,100	12,300	13,000	12,700
Financial Activity	36,000	34,700	34,000	33,500	33,300
Professional and Business Services	109,900	103,200	104,300	101,300	99,700
Education and Health Services	144,000	140,200	139,000	138,200	133,300
Leisure and Hospitality	99,800	94,700	96,400	95,500	93,100
Other Services	27,900	27,600	28,600	28,500	28,500
Total Nonagricultural Jobs	866,300	825,500	830,600	827,700	826,400
Civilian Labor Force	966,624	949,047	929,567	928,732	927,999
Total Employed	920,787	904,196	872,382	866,704	867,387
Unemployed	45,837	44,851	57,185	62,028	60,612
Unemployment Rate	4.7%	4.8%	6.2%	6.7%	6.5%
Seasonally Adjusted Rate	4.7%	4.7%	6.4%	6.7%	6.6%

STATE OF NEW MEXICO
PUBLIC HIGHER EDUCATION ENROLLMENT
LAST TEN ACADEMIC YEARS

	Academic Year				
	2023-24*	2022-23	2021-22	2020-21	2019-20
Eastern New Mexico University	-	4,849	4,490	4,958	5,519
New Mexico Highlands University	-	2,842	2,804	2,161	2,169
New Mexico Institute of Mining and Technology	-	2,000	1,734	1,482	1,517
New Mexico State University	-	26,514	27,854	17,518	18,458
Northern New Mexico College	-	1,904	1,453	761	768
University of New Mexico	-	33,410	34,368	21,273	22,568
Western New Mexico University	-	3,910	3,074	1,872	1,974
Total All Four-Year Institutions	-	75,429	75,777	50,025	52,973
Central New Mexico Community College [1]	-	27,684	18,563	10,600	11,612
Clovis Community College	-	3,245	3,408	1,291	1,461
Luna Community College	-	1,121	1,128	420	526
Mesalands Community College	-	1,286	1,198	280	346
New Mexico Junior College	-	2,385	2,500	1,352	1,591
New Mexico Military Institute	-	543	570	471	459
Northern New Mexico College	-	N/A	N/A	N/A	N/A
San Juan College	-	8,098	7,866	3,216	3,914
Santa Fe Community College	-	4,831	4,027	1,716	2,175
Total All Two-Year Institutions	-	49,193	39,260	19,346	22,084
Total All Institutions	-	124,622	115,037	69,371	75,057

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

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

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

*2023 - 24 information not available

STATE OF NEW MEXICO
PUBLIC HIGHER EDUCATION ENROLLMENT (CONTINUED)
LAST TEN ACADEMIC YEARS

	Academic Year				
	2018-19	2017-18	2016-17	2015-16	2014-15
Eastern New Mexico University	4,791	5,573	5,891	5,936	6,327
New Mexico Highlands University	2,350	2,348	2,438	2,653	2,626
New Mexico Institute of Mining and Technology	1,614	1,612	1,666	1,817	1,805
New Mexico State University	18,592	18,398	19,324	19,876	20,630
Northern New Mexico College	804	799	786	707	870
University of New Mexico	22,812	23,430	25,483	28,489	28,277
Western New Mexico University	1,990	2,072	2,045	2,169	2,222
Total All Four-Year Institutions	52,953	54,232	57,633	61,647	62,757
Central New Mexico Community College	12,000	12,156	12,716	13,684	14,653
Clovis Community College	1,509	1,477	1,495	1,500	1,548
Luna Community College	513	505	614	709	757
Mesalands Community College	413	388	404	469	428
New Mexico Junior College	1,464	1,696	1,593	1,651	1,698
New Mexico Military Institute	487	487	492	511	550
Northern New Mexico College	N/A	N/A	N/A	N/A	N/A
San Juan College	3,873	3,672	3,538	4,409	4,619
Santa Fe Community College	2,229	2,252	2,391	2,648	2,899
Total All Two-Year Institutions	22,488	22,633	23,243	25,581	27,152
Total All Institutions	75,441	76,865	80,876	87,228	89,909

STATE OF NEW MEXICO
FULL TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2024	2023	2022	2021	2020
General Government:					
Government Operations	1,470.8	1,467.8	1,416.0	1,353.1	1,380.0
Taxation and Revenue	1,041.5	1,058.0	1,063.0	1,054.2	1,072.8
Human Services and Youth Corrections	3,418.5	3,284.0	3,289.0	4,109.8	4,089.8
Adult Corrections	2,521.0	2,451.0	2,498.0	2,492.0	2,621.0
Public Safety	2,684.6	1,681.2	1,561.0	1,539.4	1,607.3
State Courts	4,399.4	4,195.8	4,009.0	3,574.4	3,542.6
Health and Environment:					
Department of Health	3,823.0	3,909.0	4,003.0	3,992.0	3,769.5
Department of Environment	698.7	661.7	689.0	653.0	634.5
Miners Colfax Community Hospital	258.0	288.0	293.0	290.5	258.0
Employment and Family Services	2,225.5	2,235.6	2,166.0	2,222.8	1,405.8
Natural Resources	1,171.2	1,570.0	1,492.0	1,404.9	1,361.5
Cultural Affairs	1,070.6	568.0	502.0	485.8	509.3
Business, Labor and Agriculture	980.0	920.0	879.0	842.0	878.4
Education	360.0	358.7	411.0	394.5	387.2
Transportation	2,664.0	2,660.0	2,676.0	2,615.5	2,506.5
Total Full-Time Equivalent State Employees	28,786.8	27,308.8	26,947.0	27,023.9	26,024.2
Change	5.1%	1.3%	-0.3%	3.7%	2.1%

Source: Report of the Legislative Finance Committee to the 56th Legislature Second Session, January 2024, Vol. 2, Pg. 1-504

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

	Fiscal Year				
	2019 As Restated	2018	2017	2016	2015
General Government:					
Government Operations	1,336.5	1,334.0	1,355.0	1,190.0	1,203.5
Taxation and Revenue	1,066.8	1,078.0	1,088.0	1,096.0	1,109.0
Human Services and Youth Corrections	4,105.8	3,909.0	4,320.0	4,540.0	4,384.1
Adult Corrections	2,453.0	2,443.0	2,409.0	2,447.0	2,453.0
Public Safety	1,547.3	1,535.0	1,545.0	1,499.7	1,452.7
State Courts	3,473.4	3,389.0	3,375.0	3,587.4	3,471.0
Health and Environment:					
Department of Health	3,551.5	3,536.0	3,792.0	3,780.0	3,791.0
Department of Environment	635.5	638.0	637.0	660.5	660.5
Miners Colfax Community Hospital	260.0	258.0	224.0	224.0	224.0
Employment and Family Services	1,418.3	1,643.0	1,435.0	623.5	618.5
Natural Resources	1,375.5	1,366.0	1,389.0	1,005.8	967.8
Cultural Affairs	487.9	494.0	509.0	508.8	507.8
Business, Labor and Agriculture	864.4	860.0	900.0	1,809.5	1,813.6
Education	384.2	378.0	397.0	348.3	350.3
Transportation	2,506.5	2,503.0	2,488.0	2,487.5	2,489.5
Total Full-Time Equivalent State Employees	25,466.6	25,364.0	25,863.0	25,808.0	25,496.3
Change	0.4%	-2.0%	0.2%	1.2%	100.0%

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2024	2023	2022	2021	2020
General Government:					
Operations:					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) [8 11 24 39 43 50]	50th	50th	50th	50th	40th
Taxation:					
% of Electronically Filed Personal Income Tax Returns [9 14 15 19 23 37 44, 47]	90%	90%	90%	82%	90%
% of Motor Vehicle Registrations Issued (with Liability Insurance) [14 15 19 23 37 44 47]	92%	91%	91%	92%	91%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions [8 10 14 15 19 23 37 44 47]	$10.0	$13.9	$12.0	$11.0	$10.4
Regulation:					
# of Vehicular Port Traffic at New Mexico Ports [10 14 15 18 26 38 45 48]	2,100,000	1,206,104	1,988,283	766,671	937,119
Number of registered nurse licenses active on June 30 [10 15 18 25 40 46 49]	32,864	32,864	31,132	14,500	18,918
Tri-Annual Physician Licenses Issued [10 14 15 18 27 38 45 48]	4,600	5,911	5,269	3,000	4,303
Biennial Physician Assistant Licenses Issued [10 15 18 27 38 45 48]	550	598	621	225	629
Public Safety:					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau [10 14 15 19 28 41 45 48]	10,822	9,000	10,822	37,919	NA
# of Traffic Fatalities [9 14 15 18 23 37 44 47]	400	444	464	395	418
# of Driving While Intoxicated Fatalities [9 14 15 18 23 37 44 47]	140	119	133	169	142
# of Driving While Intoxicated Arrests [9 14 15 18 23 37 44 47]	3,000	2,588	2,809	2,479	1,647
Education:					
Public:					
# of High School Graduates *(4 year)* [1 29 42]	20,520	19,483	32,058	26,096	25,995
Student Dropout Rate for Grades 9 - 12 [2 30 42 52]	8.5%	6.8%	4.4%	4.4%	NA
Public School Capital Outlay Allocation ($ Millions) [4]	15.7	15.7	15.7	136	N/A
Higher:					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) [8 10 14 15 38 45 48]	48%	49%	48%	40%	56%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years [8 10 14 15 21]	77%	72%	73%	73%	N/A
Health and Human Services:					
% of Children Receiving Services in Medicaid Managed Care [10 14 15 23 38 44 47]	72%	69%	70%	70%	73%
% of Child Support Collected of Support Owed [9 14 15 18 23 38 45 48]	60%	58%	58%	57%	59%
# of Homeless Veterans Provided Shelter [8 10 14 15 21 31]	182	71	173	173	N/A
% of Children Adopted within 24 Months of Entry into Foster Care [8 10 14 15 23 37 44 48 (Split into two time periods for 2020)]	42%	31%	38%	35%	36%
% of Abused Children with Repeat Maltreatment [9 14 15 23 38 45 48]	9%	13%	14%	8%	14%
% of Preschoolers Fully Immunized [9 14 15 18 45 48]	66%	69%	66%	76%	63%
# of Operating School-Based Health Centers [13 14 15 32]	95	78	91	82	79
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) [18 21 26 45 48]	5	3	5	4	4

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated
General Government:					
Operations:					
Public Employees' Retirement Fund's National Performance Ranking Percentile (Ten-Year Annualized) [8 11 24 39 43 50]	39th	39th	39th	30th	36th
Taxation:					
% of Electronically Filed Personal Income Tax Returns [9 14 15 19 23 37 44, 47]	88%	87%	86%	85%	92%
% of Motor Vehicle Registrations Issued (with Liability Insurance) [14 15 19 23 37 44 47]	90%	90%	90%	92%	91%
Amount of Delinquent Property Tax Collected and Distributed to Counties in millions [8 10 14 15 19 23 37 44 47]	$12.9	$14.6	$11.5	$11.6	$10.4
Regulation:					
# of Vehicular Port Traffic at New Mexico Ports [10 14 15 18 26 38 45 48]	1,548,500	1,597,023	1,571,366	1,589,396	1,463,046
Number of registered nurse licenses active on June 30 [10 15 18 25 40 46 49]	24,711	19,340	16,872	16,251	14,854
Tri-Annual Physician Licenses Issued [10 14 15 18 27 38 45 48]	4,086	4,059	4,116	3,744	3,841
Biennial Physician Assistant Licenses Issued [10 15 18 27 38 45 48]	556	487	455	451	476
Public Safety:					
Inspection/Audit Hours by State Fire Marshall and Pipeline Safety Bureau [10 14 15 19 28 41 45 48]	NA	19,500	16,590	10,408	14,775
# of Traffic Fatalities [9 14 15 18 23 37 44 47]	417	369	383	366	347
# of Driving While Intoxicated Fatalities [9 14 15 18 23 37 44 47]	157	143	163	149	155
# of Driving While Intoxicated Arrests [9 14 15 18 23 37 44 47]	2,171	2,574	N/A	N/A	N/A
Education:					
Public:					
# of High School Graduates *(4 year)* [1 29 42]	26,092	26,288	26,587	25,926	25,863
Student Dropout Rate for Grades 9 - 12 [2 30 42 52]	NA	NA	3.8%	4.4%	4.4%
Public School Capital Outlay Allocation ($ Millions) [4]	N/A	N/A	N/A	546	895
Higher:					
Graduation Rate of Bachelor Degree Students (Period of Six Years for Completion) [8 10 14 15 38 45 48]	54%	50%	49%	48%	48%
% of First Time Freshman Lottery Scholarship Recipients at Four-Year Institutions Who Complete Within Six Years [8 10 14 15 21]	N/A	N/A	N/A	75%	72%
Health and Human Services:					
% of Children Receiving Services in Medicaid Managed Care [10 14 15 23 38 44 47]	75%	72%	85%	85%	86%
% of Child Support Collected of Support Owed [9 14 15 18 23 38 45 48]	58%	57%	56%	56%	56%
# of Homeless Veterans Provided Shelter [8 10 14 15 21 31]	N/A	N/A	503	491	360
% of Children Adopted within 24 Months of Entry into Foster Care [8 10 14 15 23 37 44 48 *(Split into two time periods for 2020)*]	27%	28%	25%	23%	32%
% of Abused Children with Repeat Maltreatment [9 14 15 23 38 45 48]	17%	15%	15%	12%	11%
% of Preschoolers Fully Immunized [9 14 15 18 45 48]	64%	61%	72%	NA	76%
# of Operating School-Based Health Centers [13 14 15 32]	73	73	70	72	80
Average Patient Length of Stay for Acute Care Facility (Miners' Colfax Hospital) [18 21 26 45 48]	5	5	5	3	3

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2024	2023	2022	2021	2020
Corrections:					
Juvenile:					
% Juveniles Earning Education Credits While Incarcerated *8*	60%	56%	56%	55%	NA
% of Juveniles Who Complete Formal Probation *23 37 38 44 47*	85%	93%	85%	90%	94%
% of Juveniles Recommitted to a Youth Detention Facility *9 14 15 17 23 37 45 47*	20%	13%	20%	12%	20%
Adult:					
Turnover Rate of Correctional Officers *9 14 15 18 23 38 45 48*	28%	32%	28%	11%	2%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) *9 14 15 23 37 45 48*	36%	30%	35%	37%	46%
% of Prisoners Reincarcerated within 36 Months After Release *10 14 15 17 23 37 44 45 48*	35%	36%	37%	40%	54%
Culture and Recreation:					
# of Visits to Visitor Information Centers (Millions) *8*	1.4	1.3	1.2	1.3	N/A
# of Unique Website Visitor Sessions (Millions) *8 23 45 48*	2.7	2	2	2	2.4
Circulation Rate for New Mexico Magazine *8 9 14 15 18 33 38 44 47*	80,000	100,000	80,000	94,221	70,000
Attendance to Museum Exhibitions, Performances, Films, Programs *8 10 14 15 34 38 45 48*	767,000	725,472	726,301	830,000	827,895
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters *8 10 14 15 18 36 38 45 48*	84%	84%	84%	80%	88%
Fish Output from Hatchery System (in Pounds) *5 7 8 10 14 15 35 38 45 48*	660,000	640,000	672,642	592,247	666,738
# of Visitors to State Parks (Millions) *8 9 14 15 23 44 47*	4.7	5	5	4	4
Natural Resources, Environment:					
# of Inspections of Oil and Gas Wells and Associated Facilities *8 14 15 23 37 44 47*	31,000	29,522	31,154	35,147	36,852
% of Required Mine Inspection Conducted *8 14 15 23 37 45 48*	98%	99%	100%	100%	88%
% of Abandoned Uranium Mines with Current Site Assessments *8*	50%	50%	50%	50%	N/A
% of Landfills Meeting Groundwater Monitoring Requirements 14 15 23 37 44 47	95%	97%	95%	95%	97%
# of Wildlife Habitat Acres Conserved or Enhanced 8 20 35	100,000	192,000	100,000	100,000	192,000
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 8 10 14 15 38 45 48	48%	53%	45%	35%	51%
Business, Labor, and Agriculture:					
% of Adults Who Entered Employment in 1st Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) *9 14 15 17 19 23 37 45 48*	61%	61%	61%	72%	69%
# of Rural Jobs Created *9 14 15 23 37 45 48*	1,500	996	1,766	1,542	460
# of Media Industry Worker Days *9 14 15 18 37 45 48*	450,000	553,630	143,000	143,046	102,376
Changed to "Direct Spending by Industry productions ($ Millions) 14 23 37 45 48	$580	$794	$5,855	$674	$257
Highways and Transportation:					
# of System wide Miles in Deficient Condition *9 14 15 23 37 45 48*	4,000	2,824	1,451	3,837	4,420
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled *5 7 8 12 51*	1.46	1.77	1.75	1.43	1.53
# of Statewide Improved Pavement Surface Miles *5 6 9 14 15 23 37 45 48*	4,172	3,390	4,373	2,750	3,970

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2019 as Restated	2018 as Restated	2017 as Restated	2016 as Restated	2015 as Restated
Corrections:					
Juvenile:					
% Juveniles Earning Education Credits While Incarcerated *8*	NA	NA	NA	NA	NA
% of Juveniles Who Complete Formal Probation *23 37 38 44 47*	86%	86%	83%	85%	83%
% of Juveniles Recommitted to a Youth Detention Facility *9 14 15 17 23 37 45 47*	20%	20%	7%	10%	8%
Adult:					
Turnover Rate of Correctional Officers *9 14 15 18 23 38 45 48*	25%	28%	2%	10%	13%
Success Rate Recidivism of Offenders Enrolled in After Release Program (36 months) *9 14 15 23 37 45 48*	46%	51%	50%	46%	47%
% of Prisoners Reincarcerated within 36 Months After Release *10 14 15 17 23 37 44 45 48*	54%	49%	50%	46%	23%
Culture and Recreation:					
# of Visits to Visitor Information Centers (Millions) *8*	N/A	N/A	N/A	N/A	N/A
# of Unique Website Visitor Sessions (Millions) *8 23 45 48*	2.4	0.4	0.4	0.6	0.8
Circulation Rate for New Mexico Magazine *8 9 14 15 18 33 38 44 47*	70,000	70,000	70,000	75,000	92,148
Attendance to Museum Exhibitions, Performances, Films, Programs *8 10 14 15 34 38 45 48*	826,969	855,789	779,810	745,101	823,450
% of Public Hunting Licenses Drawn by New Mexico Resident Hunters *8 10 14 15 18 36 38 45 48*	84%	84%	84%	84%	84%
Fish Output from Hatchery System (in Pounds) *5 7 8 10 14 15 35 38 45 48*	670,851	646,175	681,103	638,594	637,200
# of Visitors to State Parks (Millions) *8 9 14 15 23 44 47*	5	5	5	5	4
Natural Resources, Environment:					
# of Inspections of Oil and Gas Wells and Associated Facilities *8 14 15 23 37 44 47*	31,043	42,880	37,648	49,624	47,539
% of Required Mine Inspection Conducted *8 14 15 23 37 45 48*	88%	95%	97%	97%	97%
% of Abandoned Uranium Mines with Current Site Assessments *8*	N/A	N/A	N/A	N/A	N/A
% of Landfills Meeting Groundwater Monitoring Requirements 14 15 23 37 44 47	99%	96%	97%	100%	95%
# of Wildlife Habitat Acres Conserved or Enhanced *8 20 35*	192,000	192,000	192,000	NA	NA
# of Threatened/Endangered Species Monitored/Involved in Recovery Process changed to % of Endangered Species in 2017 *8 10 14 15 38 45 48*	48%	41%	52%	N/A	35
Business, Labor, and Agriculture:					
% of Adults Who Entered Employment in 1st Quarter of Receiving Training Services (Changed in 2013 to Percent of Individuals Who Have Received Employment Services Retaining Employment After Six Months) *9 14 15 17 19 23 37 45 48*	79%	79%	78%	80%	80%
# of Rural Jobs Created *9 14 15 23 37 45 48*	1,376	2,414	775	641	726
# of Media Industry Worker Days *9 14 15 18 37 45 48*	319,814	259,961	448,304	260,307	298,398
Changed to "Direct Spending by Industry productions ($ Millions) 14 23 37 45 48	$525	$234	$505	$387	$286
Highways and Transportation:					
# of System wide Miles in Deficient Condition *9 14 15 23 37 45 48*	3,783	4,675	4,675	4,515	4,250
# of Traffic Fatalities per 100 Million Vehicle Miles Traveled *5 7 8 12 51*	1.30	1.43	1.16	1.18	1.09
# of Statewide Improved Pavement Surface Miles *5 6 9 14 15 23 37 45 48*	3,143	2,854	3,668	2,457	2,611

STATE OF NEW MEXICO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Sources: Various departments of the State of New Mexico

[1] New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates

[2] New Mexico Dropout Report published by New Mexico Public Education Department

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[8] Report of the Legislative Finance Committee to the Legislature Second Session, Vol. II
102, 103, 104, 105, 106, 108, 112, 113, 114, 122, 123, 172, 178, 187, 188, 194, 262, 287, 291, 303, 322, 323, 336, 338

[9] Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. I, Pg. 89, 98, 99, 100, 101, 105, 108, 112, 115, 116, 124, 125, 132, 133

[10] Report of the Legislative Finance Committee to the 51th Legislature Second Session, January 2014, Vol. II, Pg. 41, 59, 121, 150, 157, 159, 185, 230, 276, 278, 283, 330, 332

[11] Pension fund rankings by state-Crain's Chicago Bs, http://www.chicagobusiness.com/article/20130110/NEWS07/130109847/pension-fund-rankings-by-state-were-no-50

[12] New Mexico Transportation By The Numbers:
http://www.tripnet.org/docs/NM_Transportation_By_The_Number

[13] New Mexico Alliance for School-Based Health Care (NMASBHC): 'http://www.nmasbhc.org/index.html

[14] Report of the Legislative Finance Committee to the 52th Legislature Second Session, January 2015, Vol. I, Pg. 88, 90, 98, 99, 100, 101, 105, 108, 112, 113, 116, 117, 121, 122, 123, 129, 130; Vol II pg. 126, 134, 136, 149, 156, 158, 176, 184, 226, 285, 307, 324, 342, 344

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[21] Report of the Legislative Finance Committee to the 52nd Legislature First Session, January 2015, Vol. II, Pg. 261, 285, 343

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[23] Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. I, Pg. 36, 94-98, 100-101, 103-104, 114, 119-120, 122-124, 131-132

[24] Pension Fund Programs Worsen in 43 States, by Laurie Meisler, www.bloomberg.com/graphics/2017-state-pension-funding

[25] New Mexico Board of Nursing - Annual Governor's Report FY 2017, Pg 12

[26] Report of the Legislative Finance Committee to the 54rd Legislature First Session, January 2018, Vol. II, Pg. 121, 240

[27] New Mexico Medical Board - E-mailed

[28] New Mexico Public Regulation Commission - Annual Report FY 2017, Pg. 14, 16

[29] New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates $ Year Graduation Rate Cohort 2017

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[36] New Mexico Department of Game & Fish - Website, www.wildlife.state.nm.us/hunting/applications-and-draws-information

[37] Report of the Legislative Finance Committee to the 54th Legislature First Session, January 2019, Vol. I, Pg. 107, 109-110, 114, 127, 135-136, 145 147, 155, 156

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[42] New Mexico Public Education Website - New Mexico High School Graduation - Graduation Rates $ Year Graduation Rate Cohort 2019

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[44] Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. I, Pg. 109-110, 121-122, 127, 134, 143, 148-149, 156-158

[45] Report of the Legislative Finance Committee to the 54th Legislature Second Session, January 2020, Vol. II, Pg. 122-123, 125-126, 129-130, 132, 144, 174, 182, 190, 238, 243, 261, 290-291, 302-303, 324-325.

[46] New Mexico Board of Nursing - Annual Report FY 2019, Pg 45-46

[47] Report of the Legislative Finance Committee to the 55th Legislature First Session, January 2021, Vol. I, Pg. 116, 121, 128, 144, 150-151, 153, 155-158, 166-167

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Note: The State of New Mexico passed the Accountability in Government Act, NMSA 6-3A, in 1999. Efforts have been made in identifying and determining performance measurements since that time. Agencies began tracking and calculating these performance measurements beginning in fiscal year 2004. These operating indicators will continue to be tracked in the future in order to reach a ten year historical comparison.

N/A [1] Measure deleted in FY09 or a latter Fiscal Year and replaced by different criteria.

NA Information not available

STATE OF NEW MEXICO
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2024	2023	2022	2021	2020
General Government:					
Buildings	110	110	110	110	110
Vehicles	40	51	40	N/A	N/A
Public Safety:					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	920	823	920	846	846
Ports of Entry	8	13	8	8	8
Health and Human Services:					
Buildings - General Administrative	302	302	302	302	302
Buildings - Program					
Juvenile Reintegration Center	4	2	4	4	4
Medical Center/Hospital	55	55	55	55	55
Rehabilitation Facility	5	6	5	5	5
Veterans' Center	16	6	16	16	16
Vehicles	620	483	620	511	511
Corrections:					
Buildings	406	406	406	406	406
Vehicles	302	260	302	257	257
Culture and Recreation:					
Vehicles	60	60	60	60	60
Museums	14	15	14	14	14
Monuments	8	8	8	8	8
Natural Resources, Environment:					
Vehicles	261	194	261	196	196
State Parks	35	35	35	35	35
Wildlife Management Areas (Acres)	192,000	192,000	192,000	192,000	192,000
Fish Hatcheries	6	6	6	6	6
Education Vehicles:					
Vehicles	5	5	5	N/A	N/A
Highways and Transportation:					
Highway Lane Miles	12,272	12,272	12,272	12,272	12,272
Vehicles/Heavy Equipment	6,500	6,500	6,500	6,500	6,500

Sources: New Mexico General Services Department, Property Control Division and Public Information Office;
New Mexico Game and Fish Department, Administrative Services
New Mexico Energy and Minerals Department, Administrative Services Division;
New Mexico Department of Transportation, ; dot.state.nm.us/content/nmdot/en/Operations.html
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Number of Juvenile Centers in New Mexico (Bing)
Number of rehabilitation facility in New Mexico (Bing)
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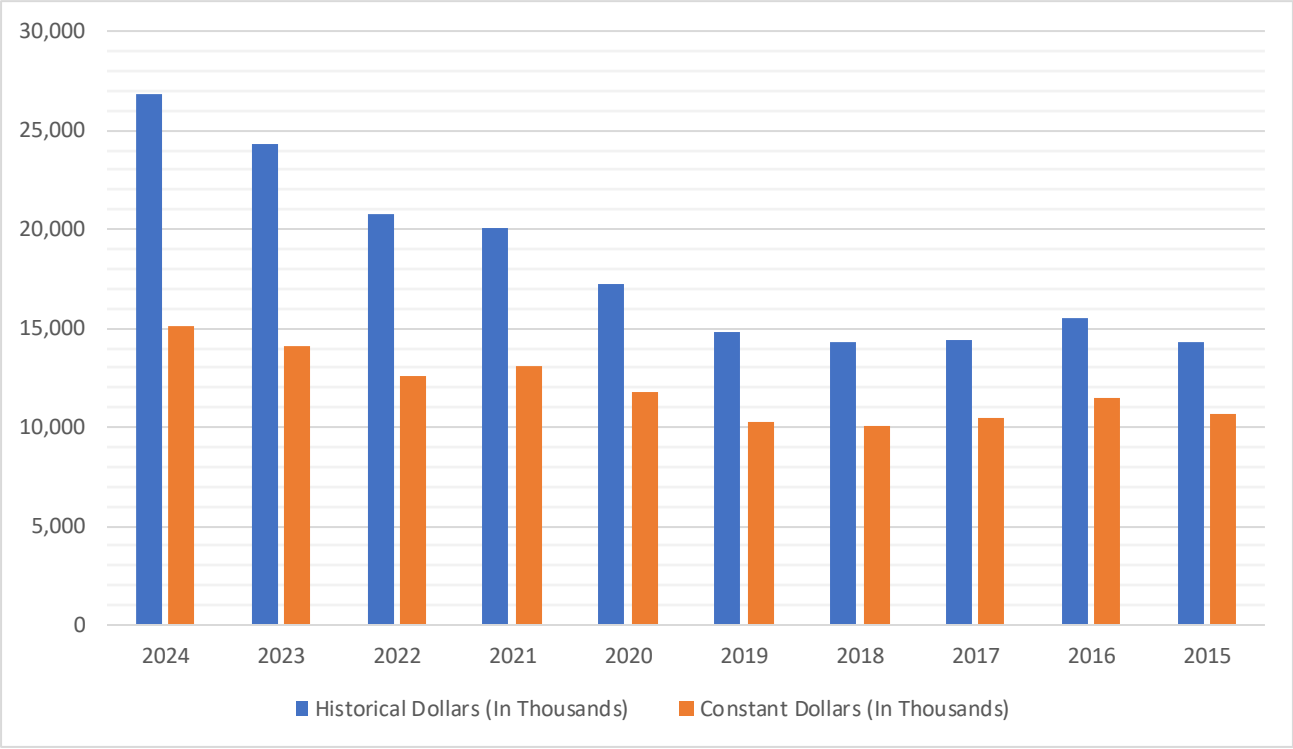
http://www.emnrd.state.nm.us/SPD/FindaPark.html

STATE OF NEW MEXICO
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2019	2018	2017	2016	2015
General Government:					
Buildings	110	110	110	110	110
Vehicles	N/A	N/A	N/A	N/A	N/A
Public Safety:					
Buildings (not inc. POE'S)	29	29	29	29	29
Vehicles	1,275	1,256	900	921	921
Ports of Entry	8	8	8	6	6
Health and Human Services:					
Buildings - General Administrative	302	34	34	4	4
Buildings - Program					
Juvenile Reintegration Center	4	4	4	3	3
Medical Center/Hospital	54	57	58	53	53
Rehabilitation Facility	5	5	5	7	7
Veterans' Center	16	16	16	1	1
Vehicles	871	871	400	426	426
Corrections:					
Buildings	406	330	330	330	330
Vehicles	439	347	320	355	355
Culture and Recreation:					
Vehicles	55	54	40	45	45
Museums	13	9	9	4	4
Monuments	8	7	7	6	6
Natural Resources, Environment:					
Vehicles	261	280	340	380	380
State Parks	35	35	35	35	35
Wildlife Management Areas (Acres)	192,000	192,000	192,000	171,241	171,241
Fish Hatcheries	6	6	6	6	6
Education Vehicles:					
Vehicles	N/A	N/A	N/A	N/A	N/A
Highways and Transportation:					
Highway Lane Miles	12,272	12,272	12,272	26,598	26,598
Vehicles/Heavy Equipment	6,500	6,500	6,500	6,417	6,417

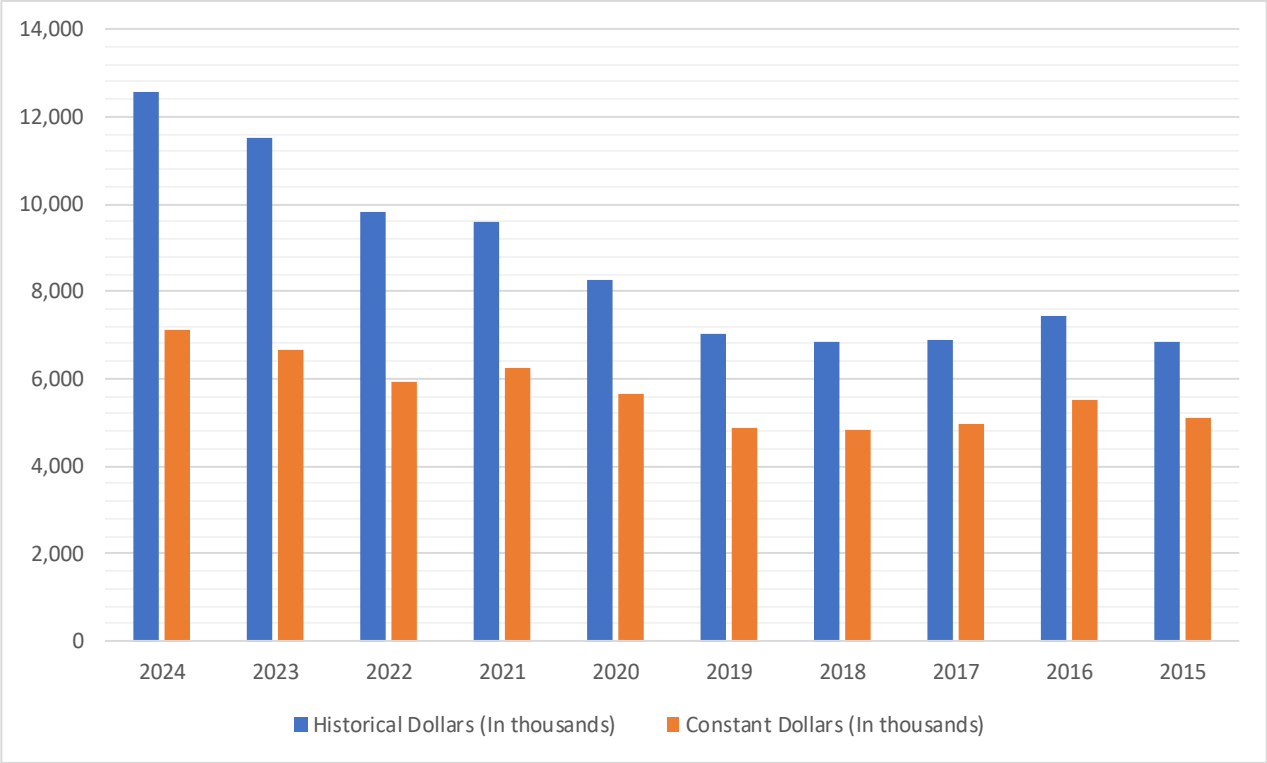
STATE OF NEW MEXICO
EXPENDITURES – HISTORICAL AND CONSTANT DOLLARS
ALL GOVERNMENT FUND TYPES
LAST TEN FISCAL YEARS



	Expenditures			
	Historical Dollars		Constant Dollars	
Fiscal Year	(in Millions)	Change	(in Millions)	Change
2024	$ 26,812	10.3%	$ 15,138	7.1%
2023	24,317	17.0%	14,134	12.4%
2022	20,782	3.6%	12,576	-4.1%
2021	20,055	16.1%	13,107	10.9%
2020	17,276	16.7%	11,821	15.2%
2019	14,809	3.3%	10,259	1.5%
2018	14,329	-0.7%	10,106	-3.1%
2017	14,434	-7.2%	10,428	-9.1%
2016	15,550	9.0%	11,474	7.6%
2015	14,268	3.3%	10,661	12.0%

2013 through 2019 are Restated

STATE OF NEW MEXICO
PER CAPITA EXPENDITURES
HISTORICAL AND CONSTANT DOLLARS
ALL GOVERNMENT FUND TYPES
LAST TEN FISCAL YEARS



	Expenditures			
	Historical Dollars		Constant Dollars	
Fiscal Year	(in Thousands)	Change	(in Thousands)	Change
2024	$ 12,587	9.4%	$ 7,106	6.3%
2023	11,501	17.0%	6,685	12.3%
2022	9,834	2.7%	5,951	-4.9%
2021	9,571	16.1%	6,255	10.9%
2020	8,244	16.9%	5,642	15.5%
2019	7,050	3.1%	4,884	1.3%
2018	6,838	-0.7%	4,823	-3.1%
2017	6,888	-7.5%	4,977	-9.4%
2016	7,447	8.6%	5,495	7.3%
2015	6,856	12.1%	5,123	11.9%

2013 through 2019 are Restated

OTHER REPORTS

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico
Mr. Wayne Propst, Secretary of the New Mexico Department of Finance and Administration,
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department of Finance and Administration, and
Mr. Joseph M. Maestas, PE, CFE New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Mexico, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise State of New Mexico's basic financial statements, and have issued our report thereon dated March 25, 2025. Our report includes reference to other auditors who audited the financial statements of certain components of the State, as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered State of New Mexico's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of State of New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of State of New Mexico's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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The Honorable Michelle Lujan-Grisham, Governor of the State of New Mexico
Mr. Wayne Propst, Secretary of the New Mexico Department of Finance and Administration,
Mr. Mark Melhoff, Acting State Controller of the New Mexico Department of Finance and Administration, and
Mr. Joseph M. Maestas, PE, CFE New Mexico State Auditor
State of New Mexico

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

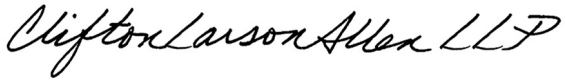
As part of obtaining reasonable assurance about whether State of New Mexico's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-002.

State of New Mexico's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the State of New Mexico's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. State of New Mexico's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, NM
March 25, 2025

STATE OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

1.	Type of auditors' report issued:	Unmodified		
2.	Internal control over financial reporting:			
	• Material weakness(es) identified?	_____ yes	____X____ no	
	• Significant deficiency(ies) identified?	____X____ yes	_____	none reported
3.	Noncompliance material to financial statements noted?	_____ yes	____X____ no	

Section II – Financial Statement Findings

2024 – 001 (2022-002) Internal Control over Financial Reporting (Significant Deficiency)

Condition: During the audit we identified the following issues related to the State's internal controls over financial reporting:

- The State has a formalized process to identify intra-entry activity and balances to prepare the necessary elimination entries for the preparation of the State financial statements. However, the State did not completely follow its process to fully eliminate the activity and balances at the State ACFR level.
- During our review of the trial balance reconciliation process performed by the ACFR Unit, it was noted that the process should be improved to incorporate the characterization of activity within a component's accounting records compared to the presentation on the financial statements. For instance, the ACFR Unit should verify the following:
    - Activity recorded to capital outlay accounts compared to additions reflected in the capital asset roll forward. This should include additions to RTUA and SBITA.
    - Activity recorded to debt proceeds and debt payments compared to additions and deletions in the long-term liability roll forward. This should include activity to RTUA and SBITA.
    - Activity recorded as transfers in/out within the chart of accounts should be classified as other financing sources/uses on the respective financial statements, rather than being categorized under programmatic or operating revenue. While the State has established a process to review this activity and ensure its alignment with the respective component financial statements, this process is not being consistently followed.Activity recorded in the capital or operating grant revenue accounts should be reflected as such on the respective statement of activities.

Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the streams of financial data that flows into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across components in accordance with the Model of Accounting Practices (MAPs). The state has identified occasional instances whereby the accounts were not utilized appropriately. The state continues ongoing review and training for this process to remedy these occasional instances.

Criteria or specific requirement: Per Section 6-5-2 NMSA 1978, the Division shall maintain a central system of state accounts and shall devise, formulate, approve, control and set standards for the accounting methods and procedures of all state agencies ("state agency" means any department, institution, board, bureau, commission, district or committee of the government of the state and means every office or officer of any of the above). The Division shall prescribe procedures, policies and processing documents for use by state agencies in connection with fiscal matters and may require reports from state agencies as may be necessary to carry out its duties and functions. In addition, Section 6-5-2.1 NMSA 1978 requires the Division to conduct all central accounting and fiscal reporting for the state as a whole and produce interim statewide financial reports and the state's annual comprehensive financial statements, which should be prepared in accordance with generally accepted accounting principles.

Section II – Financial Statement Findings

2024 – 001 (2022-002) Internal Control over Financial Reporting (Significant Deficiency) (Continued)

Criteria (Continued): Additionally, in order to achieve a more automated financial statement drafting process, activity needs to be recorded in the proper accounts to appropriately reflect the characterization on the face of the financial statements.

Effect: Untimely identification of misstatements or potential misstatements not detected by the State.

Cause: These issues can be attributed to the complexity of the State's reporting entity and the quantity of separate components and their related control environments/processes that comprise the State's financial statements.

Recommendation: We recommend the State continue to evaluate the approach of producing the State's financial statements and evaluate each of the identified errors and issues outlined in the condition of this finding to determine the root of the issue to facilitate an appropriate corrective action. The State should continue its efforts of communicating enhanced policies, procedures, and directives to the components that are included in this statewide report.

Views of responsible officials and planned corrective actions: The state has made enormous progress in the last few years by updating policies and procedures and working more closely with individual state agencies, however, there remain areas of potential improvement. The state is committed to investing in additional staffing, system updates, and increased training to ensure internal processes and controls are conducive to productive and efficient state government. This includes strengthening accounting principles, policies, and internal control requirements through the Model of Accounting Practices pursuant to § 6-5-2, NMSA 1978. Additionally, enforcement of regulations will remain a priority with additional measures taken by the Financial Controls Division to ensure state agency/component unit and their independent public auditors are held responsible for execution and adherence to § 6-5-2 (C), NMSA 1978, generally accepted accounting principles, and the New Mexico Audit Act. The State Controller and the ACFR Bureau Chief assume responsibility for this mitigation plan with the expectation these issues will be resolved by June 30, 2025.

Section III – Section 12-6-5 NMSA 1978 findings

2024 – 002 (2015-001) Late Submission of Audit Report (Other Non-Compliance and Other Matters)

Condition: The audit report for the annual financial report for the year ended June 30, 2024 was not submitted by Regulatory due date of December 31, 2024.

Management's Progress for Repeat Finding: The State has made significant improvement in consolidating the information that rolls into the Annual Report. Agencies are becoming accustomed to the new accounts that must be used for transactions across all entities.

Criteria: Audit reports not received on or before the due date are considered non-compliance with the requirements of Section 2.2.2.9.A of the State Audit Rule.

Effect: Non-compliance with the State Audit Rule.

Cause: The State's financial statements, along with their audit, rely on the completion of separately audited financial statements for each component of the State. These individual audits have submission deadlines ranging from November 1 to December 1, after which they undergo final review and approval for release by the Office of the State Auditor before they can be referenced in the State's overall audit. Due to the sequential nature of this process, coupled with the necessary review and clearance requirements, the current reporting framework does not allow for a December 31st submission deadline to be met.

Recommendation: We recommend the New Mexico Department of Finance and Administration (DFA) continue to evaluate the entire approach of producing the statewide financial statements and the related processes and methodology to determine which processes could be improved to facilitate DFA's ability to produce a more timely report. In addition, we recommend DFA work with the Office of the State Auditor to determine if the December 31st deadline should be adjusted to a later date that is more realistic with the current reporting framework.

Views of responsible officials and planned corrective actions: Management acknowledges this finding. The state has made tremendous progress in improving the timeliness of the ACFR. However, the ACFR's timeliness is still being affected by constraints placed on DFA that prevent completion by the date set forth in the audit rule. DFA will continue to work towards improving processes and procedures to complete the ACFR as soon as possible after year end. The state will also continue to work with the State Auditor as well as the Legislature to enact legislative changes that will facilitate timely submittal of the ACFR, including moving the state towards a single federal audit and singular ACFR. These policies would align the State of New Mexico with the accounting and auditing practices of all other 49 states in the US. The State Controller will be responsible for this mitigation plan. While legislative changes will require extensive negotiation, DFA is committed to working with the legislature and other stakeholders during the next 60-day session in calendar year 2027.

STATE OF NEW MEXICO
STATUS OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

Financial Statement Findings
2023-001 – Internal Control over Financial Reporting – Repeated and Modified

Section 12-6-5 NMSA 1978 findings
2023-002 – Late Submission of Audit Report – Repeated and Modified

STATE OF NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2024

An exit conference was held with the State on March 28, 2025, via Microsoft Teams. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO
Wayne Propst, Cabinet Secretary
Renee Ward, Deputy Cabinet Secretary
Mark S Melhoff, Financial Control Division/Acting State Controller
Heather Kent, Cash Control Manager/Acting Deputy Director
John Severns, SFRAB Bureau Chief
Kusum Adhikari, SFRAB Deputy Bureau Chief

CLIFTONLARSONALLEN LLP
Matt Bone, Principal
Laura Beltran-Schmitz, Principal
Andres Gamez, Director

PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared by CliftonLarsonAllen LLP with assistance provided by the State's personnel. The State is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The State has reviewed and approved the financial statements and notes to the financial statements.

APPENDIX B

FORM OF ATTORNEY GENERAL'S NO LITIGATION LETTER

January 28, 2026

State Board of Finance
State of New Mexico
Bataan Memorial Building, Ste. 181
Santa Fe, NM 87501

Taft Stettinius & Hollister LLP
6565 Americas Parkway NE, Suite 200
Albuquerque, NM 87110

Rodey, Dickason, Sloan, Akin & Robb, P.A.
201 3rd St. NW, Ste. 2200
Albuquerque, NM 87102

Kutak Rock LLP
2001 16th Street, Suite 1800
Denver, CO 80202

Re: $63,825,000 State of New Mexico General Obligation Bond, Series 2026

Ladies and Gentlemen:

This letter will serve as our certificate of litigation concerning the State of New Mexico General Obligation Bond, Series 2026, in the aggregate principal amount of $63,825,000.

To the best of our knowledge, and except as set forth below, there is no pending or threatened action, suit or proceeding at law or in equity before or by any judicial or administrative agency against or affecting the State wherein an unfavorable decision, ruling, or finding would materially and adversely affect: (i) any officers of the State in their respective capacities as such or the existence, organization or power of the State, insofar as these matters relate to these bonds; (ii) the sale, award, issuance and delivery of these bonds; (iii) the effectiveness of the legislation authorizing the issuance of these bonds; (iv) the transactions authorized by the State Board of Finance in its resolutions of December 16, 2025, (the "Bond Resolution") relating to the sale, award, issuance and delivery of these bonds; or (v) the validity or enforceability of the bonds or the Bond Resolution.

We have reviewed the Decision and Order filed on December 29, 2020, in the Eleventh Judicial District Court (McKinley County) in Cause No. D-1113-CV-9800014, *The Zuni Public School Dist., et al., v. The State of New Mexico, et al*. The December 29, 2020 order is a final, appealable judgment. It provides declaratory relief in the form of a finding that the State's Public School Capital Outlay Act, NMSA 1978, Sections 22-21-1 to -12 (1975, as amended through 2020) and Public School Capital Improvements Act, NMSA 1978, Sections 22-25-1 to -11 (1975, as amended through 2020) are unconstitutional; and enjoins the legislature to create and implement a statutory scheme consistent with Article XII, Section 1 of the New Mexico Constitution. Notably, the decision does not expressly or indirectly reference the State's Severance Tax Bonding Act, NMSA 1978, Sections 7-27-1 to -27 (1961, as amended through 2022). On January 28, 2021, the State Defendants filed a Motion for Post-Judgment Relief, to Amend and Reconsider Final Judgment, for Clarification of Order, and for Stay. On February 11, 2021, the State Defendants filed an Unopposed Expedited Motion for Limited Stay to be effective until a final order was issued. The motion was granted on February 12, 2021, when the Court issued an order expressly staying the Final Decision and Order for the purpose of permitting bonding activity and the release of proceeds to proceed uninterrupted. On June 18, 2021, the Court issued an Order Denying State Defendant's Post Judgment Motions. Subsequently, on June 25, 2021, the Court issued an Order Amending the Limited Stay of the Judgment and ordered that any appeal taken by the State Defendants would operate as an automatic stay of the Court's December 29, 2020 Final Decision and Order as well as the June 18, 2021 Order Denying the State Defendants' Post-Judgment Motions. The State thereafter filed its notice of appeal with the New Mexico Court of Appeals as Cause No. A-1-CA-39902 on July 19,

2021. Briefing was completed on December 19, 2022. On July 19, 2023, Plaintiff Gallup-McKinnley School District No. 1 submitted an opposed motion to Certify the Appeal to the New Mexico Supreme Court. The State timely filed a response in opposition to the Motion, but the Court of Appeals issued an Order of Certification to the New Mexico Supreme Court on August 7, 2023, pursuant to Rule 12-606 NMRA and NMSA 1978, Section 34-5-14(C). In its order, the Court of Appeals stated that the "issues in the appeal raise significant constitutional questions which are of great public import that should be determined by our Supreme Court." The Supreme Court accepted certification on November 28, 2023, as Cause No. S-1-SC-40050.

On December 2, 2024, the New Mexico Supreme Court ruled that the case was moot because of the Legislature's amendments to the capital outlay scheme that funds public school facilities and remanded the case to District Court for further proceedings, if any.

In addition, we are aware of a recent matter titled *Mario Atencio, et al. v. State of New Mexico et al.*, D-101-CV-2023-01038, filed in the First Judicial District Court (Santa Fe County) on May 10, 2023. The Complaint is titled as "Complaint to Enforce Constitutional Rights for A Healthful and Beautiful Environment and Protection of Natural Resources from Despoilment Due to Oil and Gas Pollution, and to Enforce the Rights of Frontline Communities, Indigenous Peoples and Youth to Life, Liberty, Property, Safety, Happiness, and Equal Protection in the Face of The State's Permitting of Oil and Gas Production and Pollution and For Declaratory and Injunctive Relief." The Complaint raises several constitutional challenges including alleged violations of Article XX, Section 21 of the New Mexico Constitution as well as the Equal Protection Clause and Due Process Clause of Article II, Sections 4 and 18 of the New Mexico Constitution in connection with the State's regulation and oversight of the oil and gas industry. Plaintiffs also allege violations of the New Mexico Civil Rights Act, NMSA 1978, Sections 41-4A-1 to -13 (2021). Notably, however, the Complaint does not raise a challenge to the State's Severance Tax Bonding Act. A motion by the State was partially granted and partially dismissed on June 10, 2024. On June 25, 2025, Defendants filed an Application for Interlocutory Appeal. On August 16, 2024, the New Mexico Court of Appeals granted the interlocutory appeal as Cause A-1-CA-42006 (consolidated with A-1-CA-42003, A-1-CA-42006). On June 3, 2025, the Court of Appeals issued a decision siding with the Defendants. The Court of Appeals has remanded the case with instructions that the district court is to dismiss Plaintiffs' complaint. The State is currently assessing whether Plaintiffs may seek a writ of certiorari to the state Supreme Court.

In addition, at any given time, a number of protests/refund claims are pending at the administrative level. As of June 15, 2001, payments on severance tax assessments issued by the Taxation and Revenue Department (TRD), including any on undervaluation assessments made after that date, typically are held in a suspense fund until the TRD Secretary determines that there is no substantial risk of protest or other litigation. See NMSA 1978, § 7-1-6.20(B) (2001, as amended through 2020).

While we are unable to predict with reasonable certainty the outcome of pending litigation and administrative proceedings, they would not, in our opinion, except as limited below, reasonably be expected to have a material effect on the owner of the Bonds. This office expresses no opinion on the effects of the McKinley County ruling discussed hereinabove. This office is not aware of any other pending or threatened litigation that would affect the severance tax of the state or the authority of the state to issue the Bonds.

Sincerely,

Zachary Shandler
Assistant Attorney General

APPENDIX C

FORMS OF OPINIONS OF BOND COUNSEL AND TAX COUNSEL

FORM OF BOND COUNSEL OPINION

January 28, 2026

State Board of Finance
State of New Mexico

$63,825,000
State of New Mexico
Capital Projects General Obligation Bonds
Series 2026

Ladies and Gentlemen:

We have acted as bond counsel to the State Board of Finance (the "Board") of the State of New Mexico (the "State") in connection with the issuance of the State of New Mexico Capital Projects General Obligation Bonds, Series 2026, in the aggregate principal amount of $63,825,000 (the "Bonds") on January 28, 2026, and being a series of bonds in registered form maturing on March 1, 2027.

In such capacity, we have examined the transcript of proceedings (the "Transcript") relating to the Bonds and have also examined the provisions of the Constitution and laws of the State, including the 2024 Capital Projects General Obligation Bond Act, Chapter 64 of New Mexico Laws of 2024, under authority of which the Bonds were issued, the resolutions authorizing the issuance and sale of the Bonds (the "Bond Legislation") adopted by the Board on December 16, 2025, and amended on January 15, 2026, and an executed Bond of the first maturity. We have also made such further inquiries and investigations and have examined such laws and such further documents and matters as we have considered necessary in rendering this opinion.

Regarding questions of fact material to our opinions, we have relied upon the State's and Board's respective certified proceedings relating to the Bonds and upon other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Certain agreements, requirements, and procedures contained or referred to in the Bond Legislation and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon with respect to any such change or action taken or omitted upon the advice or approval of counsel other than ourselves.

Based on our examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Bonds constitute valid and binding general obligations of the State and the principal of and interest on the Bonds, unless paid from other sources, are payable from the proceeds of the levy of

ad valorem taxes on all property in the State, subject to property taxation for State purposes, without limit as to rate and in an amount sufficient to pay the principal and interest on the Bonds when due.

2. The Bond Legislation is valid and binding on the Board and is enforceable in accordance with its terms.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. Furthermore, we have assumed the continued accuracy of the representations and the continuing compliance with the covenants and agreements contained in the Bond Legislation. We call attention to the fact that the rights and obligations of the Board pursuant to the Bonds, the Bond Legislation and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State of New Mexico. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the documents described herein. Finally, we undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds and express herein no opinion relating thereto.

We express no opinion regarding any federal or state income tax consequences arising from the receipt or accrual of interest on or ownership or disposition of the Bonds.

Very truly yours,

FORM OF OPINION OF TAX COUNSEL

January 28, 2026

State of New Mexico State Board of Finance
Santa Fe, New Mexico

$63,825,000
THE STATE OF NEW MEXICO
CAPITAL PROJECTS GENERAL OBLIGATION BONDS
SERIES 2026

Ladies and Gentlemen:

We have acted as Special Tax Counsel to the State Board of Finance (the "Board") of the State of New Mexico (the "State") in connection with its issuance of its Capital Projects General Obligation Bonds, Series 2026 (the "Bonds") under authority of the 2024 Capital Projects General Obligation Bond Act (the "Act"), and pursuant to the resolution by the State Board of Finance (the "Board") adopted and approved on December 16, 2025, as amended on January 15, 2026 (the "Bond Resolution").

In such capacity, we have examined the State's and the Board's certified proceedings, the Federal Tax Certificate of the State, the Agency Tax Agreements between the State and the boards, commissions, departments, agencies, political subdivisions and other entities of the State being granted a portion of the proceeds of the Bonds (collectively, the "Agencies"), and such other documents and such law of the State of New Mexico and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to such terms in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State's and the Board's certified proceedings, representations of the Agencies and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as Special Tax Counsel that:

1. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings, the Agencies' certified proceedings and in certain other documents and certain other certifications furnished to us. The State and the Agencies have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

2. Under laws of the State in effect as of the date hereof, the Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds, the Bond Act, and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In rendering the opinions set forth above, we are relying on the approving opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A. as to the validity and enforceability of the Bonds.

In this opinion letter issued in our capacity as Special Tax Counsel, we are opining only upon those matters set forth herein, and we are not opining upon the adequacy, accuracy or completeness of the Official Statement dated January 21, 2026, relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or State tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the State Board of Finance (the "Board") of the State of New Mexico (the "State") on behalf of the State in connection with the issuance by the State of its Capital Projects General Obligation Bonds, Series 2026 (the "Bonds"). The Bonds are being issued pursuant to the Bond Resolution adopted by the Board on December 16, 2025, as amended January 15, 2026 (collectively, the "Bond Resolution").

BACKGROUND

1. The Bonds are being issued to provide funds for the payment of the costs of certain Projects. The Bonds are authorized pursuant to the authority of the 2024 Capital Projects General Obligation Bond Act (the "Act") duly promulgated by the Legislature of the State of New Mexico (the "State") as Chapter 64, Laws 2024.

2. In order to allow the underwriter of the Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12, as amended to the date hereof), the State is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds.

3. This Disclosure Undertaking is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

STATE COVENANTS AND AGREEMENTS

Section 1. Definitions.

(a) "Annual Financial Information" means the financial information or operating data with respect to the State, delivered at least annually pursuant to Section 2(a) and 2(b) hereof, of the type set forth in the sections of the final Official Statement identified on Exhibit A hereto. Annual Financial Information includes Audited Financial Statements.

(b) "Audited Financial Statements" means the annual financial statements for the State, prepared in accordance with generally accepted accounting principles, as in effect from time to time, audited by a firm of certified public accountants.

(c) "Event Information" means the information delivered pursuant to Section 2(d) hereof.

(d) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1300 I Street NW, Suite 1000, Washington, DC 20005, phone (202) 838-1500, fax (202) 898-1500.

(e) "National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository ("NRMSIR") for purposes of the Rule. Currently, the following is the only National Repository:

Electronic Municipal Market Access ("EMMA")
c/o Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005
www.emma.msrb.org
(202) 838-1500

(f) "Official Statement" means the Official Statement dated January 21, 2026 delivered in connection with the original issue and sale of the Bonds.

(g) "Repository" means (i) EMMA and (ii) any SID.

(h) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12, as the same may be amended to the date hereof).

(i) "SEC" means the Securities and Exchange Commission.

(j) "SID" means any State Information Depository operated or designated by the State that receives information from all issuers within the State. As of the date of this Disclosure Undertaking, no SID exists for the State.

Section 2. Provision of Annual Information and Reporting of Event Information.

(a) Commencing with the Fiscal Year ending June 30, 2026, and annually while the Bonds remain outstanding, the State agrees to provide or cause to be provided the Annual Financial Information to each Repository annually.

(b) Such Annual Financial Information shall be provided not later than two hundred ten (210) days after the end of each fiscal year for the State. If the Audited Financial Statements are not available by the time the other Annual Financial Information must be provided, unaudited financial statements shall be provided as part of the Annual Financial Information. If not provided as a part of the Annual Financial Information, the Audited Financial Statements will be provided when available.

(c) The State may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the State, which have been submitted to each Repository; provided, however, that if the document so referenced is a final official statement within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding, the State shall provide, in a timely manner, to the MSRB and any SID notice of any of the following events with respect to the Bonds (provided, that any event under clauses (ii), (vii), (viii), (x), (xiv) and (xv) will be provided only if deemed to be material):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Forms 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds;

(vii) Modifications to rights of bond holders;

(viii) Bond calls, other than mandatory sinking fund redemption, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of any property securing repayment of the securities;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar proceedings;

(xiii) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination;

(xiv) Appointment of successor or additional trustee or the change of name of a trustee;

(xv) Incurrence of a financial obligation of the Board or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board or obligated person, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Board or obligated person, any of which reflect financial difficulties.

(e) At any time the Bonds are outstanding, the State shall provide, in a timely manner, to the MSRB and any SID notice of any failure of the State to timely provide the Annual Financial Information as specified in Sections 2(a) and 2(b) hereof.

Section 3. Method of Transmission. Subject to technical and economic feasibility, the State shall employ such methods of electronic or physical information transmission as is requested or recommended by the Repositories or the MSRB unless otherwise required by law.

Section 4. Enforcement. The obligations of the State hereunder shall be for the benefit of the owners (including the beneficial owners) of the Bonds. The owner or beneficial owner of any Bonds is authorized to take action to seek specific performance by court order to compel the State to comply with its obligations under this Disclosure Undertaking, which action shall be the exclusive remedy available to it or any other owners or beneficial owners of the Bonds. Any such action shall be brought only in the First Judicial District Court in Santa Fe, County, New Mexico. Breach of the obligations of the State hereunder shall not constitute an event of default under the Bond Resolution and none of the rights and remedies provided by the Bond Resolution shall be available to the owners (including the beneficial owners) of the Bonds.

Section 5. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not Event Information, in addition to that which is required by this Disclosure Undertaking; provided that the State shall not be required to do so. If the State chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the State shall have no obligation under this Disclosure Undertaking to update such information or include it in any future annual filing or Event Information filing.

Section 6. Term. This Disclosure Undertaking shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earliest of (i) the date all principal and interest on the Bonds shall have been paid or legally defeased pursuant to the terms of the Bond Resolution; (ii) the date that the State shall no longer constitute an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments and Waivers. Notwithstanding any other provision of this Disclosure Undertaking, the State may amend this Disclosure Undertaking from time to time, and any provision of this Disclosure Undertaking may be waived, without the consent of the owners or beneficial owners of the Bonds upon the State's receipt of an opinion of counsel experienced in federal securities laws to the effect that such amendment or waiver will not adversely affect compliance with the Rule. Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The State shall provide notice of any such amendment or waiver to each Repository.

Section 8. **Beneficiaries**. This Disclosure Undertaking shall inure solely to the benefit of the State and the owners (including beneficial owners) from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 9. **Governing Law**. This Disclosure Undertaking shall be governed by the laws of the State and applicable federal law, including the Rule.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Undertaking as of January 28, 2026.

NEW MEXICO STATE BOARD OF FINANCE

By_____

EXHIBIT A

Portions of the Official Statement
Containing the Type of Information
To Be Included as Annual Financial Information

1. OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
   All

2. THE STATE OF NEW MEXICO
   All

3. PROPERTY VALUATION AND TAXATION
   All

4. FINANCIAL OVERVIEW OF THE STATE
   All

5. STATE OF NEW MEXICO FINANCIAL STATEMENTS (Audited)
   All