



NEW MEXICO
FINANCE AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

A Component Unit of the State of New Mexico

Fiscal Year Ended June 30, 2025



SANTA FE, NEW MEXICO
PREPARED BY THE NMFA FINANCE DEPARTMENT

NEW MEXICO FINANCE AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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Introduction





Government Finance Officers Association

Certificate of
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New Mexico Finance Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



October 31, 2025

Hon. Joseph M. Maestas, PE, CFE, State Auditor
Citizens of the State of New Mexico
Board of Directors of the New Mexico Finance Authority
Office of the State Auditor
2540 Camino Edward Ortiz, Suite A
Santa Fe, NM 87507

We are pleased to submit the New Mexico Finance Authority's (NMFA) annual audit report for the fiscal year ended June 30, 2025, which we are presenting in an Annual Comprehensive Financial Report (ACFR) format.

Introduction

NMFA prepares the ACFR and assumes the responsibility for ensuring that everything presented in it, including all the associated disclosures, is accurate, complete and fairly represented. To the best of our knowledge, the information contained in the ACFR is accurate in all material respects and fairly presents NMFA's financial position and results of operation. We have prepared the financial statements using the economic resources measurement focus and accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) applicable to state and local governments, as promulgated by the Governmental Accounting Standards Board (GASB). We also voluntarily follow the recommendations of the Government Finance Officers Association of the United States and Canada (GFOA) for some of the material in the ACFR.

NMFA has a system of internal controls designed to protect its assets from loss, theft, or misuse and to ensure that reliable accounting data are available for the timely preparation of financial statements. The internal control structure provides reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the anticipated benefits and that the valuation of costs and benefits requires estimates and judgments by management.

Jaramillo Accounting Group, LLC (JAG), an independent public auditor approved by the New Mexico Office of the State Auditor, audited our financial statements. Jaramillo Accounting Group rendered an unmodified opinion as to the material accuracy and fairness of the financial statements featured in the ACFR. Their report appears in the financial information following this introduction.

Profile of the Organization

New Mexico State Legislature formed NMFA as a governmental instrumentality in 1992. In this capacity, NMFA operates separately and apart from New Mexico State government (State), which presents NMFA as a blended component unit in its financial statements.

The NMFA Board of Directors (Board) appoints NMFA’s Chief Executive Officer (CEO), approves its annual budget and authorizes all bond issuances and loan and grant awards.

The current CEO, Marquita D. Russel, was appointed in 2019 after having worked for NMFA for 20 years, primarily as Chief of Programs.

NMFA began fiscal year 2025 with seven programs supporting Public Activity, 18 programs supporting Private Activity and two programs supporting Conduit Bond Activity, where NMFA issues conduit bonds on behalf of the New Mexico Department of Transportation (NMDOT) and serves as the custodian for the proceeds. Over the course of the year, it added two Private Lending programs and in December 2024, NMFA served as a conduit issuer for one Private Activity Bond (PAB) which was redeemed in April 2025.

NMFA Programs

Public Activity Programs	
1. Public Project Revolving Fund (PPRF)	4. Colonias Infrastructure Project Fund (CIF)
2. Water Project Fund (WPF)	5. Local Government Planning Fund (LGPF)
3. Drinking Water State Revolving Loan Fund (DWSRLF)	6. Charter Schools Facility Revolving Fund (CSFRF)
	7. Local Solar Access (LSAF)
Private Lending and Grants	
1. Behavioral Health Capital Fund (BHCF)	10. Opportunity Enterprise Revolving Fund (HDRF) – Housing Development
2. Cannabis Microbusiness Program (CMP) ¹	11. Primary Care Capital Fund (PCCF)
3. Child Care Revolving Loan Fund (CCRLF)	12. Small Business Recovery Program (SBRL) ¹
4. Essential Services Working Capital Fund (ESWCF) ¹	13. Smart Money (Economic Development Revolving Fund - ED)
5. Local Economic Development Act (LEDA) ¹	14. State Small Business Credit Initiative (SSBCI) ¹
6. New Markets Tax Credits Program (NMTC)	15. SSBCI Capital Access
7. NM Growth Venture Capital Fund (NMGF)	16. SSBCI Loan Participation
8. ECECD – Supply Building Grants ¹	17. Venture Capital Program (VCP)
9. Opportunity Enterprise Revolving Fund (OERF) – Commercial Development	18. Energy Efficiency Revolving Loan Fund (EERLF)
Conduit Bond Activity Programs	
1. New Mexico Department of Transportation (NMDOT) bond program	
2. Private Activity Bonds (PAB)	

The PPRF has been NMFA’s largest program in terms of loan receivables generated per year since its creation, except during the COVID-19 pandemic (August 2020 to December 2022) when the emergency SBRL predominated. PPRF offers borrowers lower interest rates as a result of the fund’s bond ratings of AAA by Standard & Poor’s (S&P) Global Ratings and Aa1 by Moody’s Investor Services. The PPRF is NMFA’s only bond-backed program. In fiscal year 2025, it accounted for

¹No longer accepting applications.

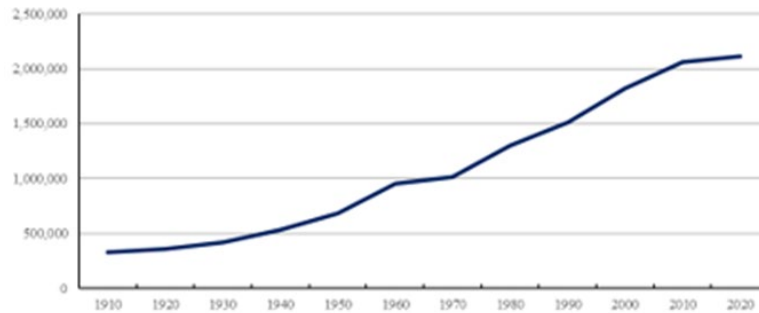
85.0% (\$1.8 billion) of total net loan receivables and 67.0% (\$70.4 million) of total operating revenue.

Demographic and Economic Setting

NMFA’s programs finance infrastructure and community development projects throughout New Mexico. The market it serves consists of 33 counties, 106 municipalities, 23 tribes and pueblos, 89 school districts and public water systems that operate in New Mexico.² As defined by the EPA and New Mexico Environmental Department (NMED), a "public water system" is a system that provides water for human consumption to at least 15 service connections or regularly serves at least 25 individuals, 60 or more days out of the year. According to NMED's 2024 Public Water System Compliance Report, there were approximately 1,050 public water systems that provided drinking water to an estimated 2,104,394 people in New Mexico. While not all these entities are active borrowers or grantees at any given time, they may currently be or may have been clients at one point in NMFA’s 33-year history.

New Mexico is a predominantly rural state. It is the 5th largest in terms of land mass yet 37th in population. It has grown slowly but steadily since it became the 47th state in the Union in 1912:

New Mexico Population Growth: 1910-2020



The population of the state grew 2.8% from 2010 to 2020 less than half the 7.4% growth rate for the entire country during the same period.³

Most New Mexicans (69.6%) reside in the state’s four Metropolitan Statistical Areas (MSAs), which together grew 3.1% from 2010 to 2020:

Metropolitan Population Growth: 2020-2010⁴

MSA	Counties	2020 Population	% Growth since 2010
Albuquerque	Bernalillo, Sandoval, Torrance, Valencia	977,688	3.3
Las Cruces	Doña Ana	219,561	4.9
Santa Fe	Santa Fe	154,823	7.4
Farmington	San Juan	121,661	(6.4)

² <https://cloud.env.nm.gov>

³ US Census Bureau: Historical Population Change Data (1910-2020) (census.gov)

⁴ US Census Bureau: NEW MEXICO: 2020 Census

New Mexico’s economy ranks 39th among all the states. As of the first quarter of 2025, New Mexico’s Gross Domestic Product (GDP) stood at \$144.4 billion, equivalent to 0.5% of the total US GDP.⁵

New Mexico’s civilian labor force (16 years and older) was estimated to be 991,353 individuals as of June 2025, 3.1% higher than the peak just before the start of the COVID-19 health emergency (December 2019).⁶

In terms of non-farm employment, New Mexico’s economy is led by Government and Education and Health Services:

New Mexico Non-Farm Employment by Sector Ranked as of June 2025⁷

Sector	12-month % Change	1,000s Employed	% of Total Employment
Government	0.8	193.6	21.4
Education and Health Services	4.7	155.2	17.1
Trade, Transportation, and Utilities	-0.3	145.2	16.0
Professional and Business Services	1.6	124.1	13.7
Leisure and Hospitality	-1.7	99.0	10.9
Other Services	-1.1	27.7	3.1
Financial Activities	5.1	37.3	4.1
Construction	15.2	61.4	6.8
Manufacturing	1.7	29.3	3.2
Information	-14.4	9.5	1.0
Mining and Logging	3.0	24.4	2.7

The 20 largest employers in New Mexico employed 19.9% of the total state workforce. Half of these are government or quasi-governmental entities, including Sandia and Los Alamos National Laboratories.

20 Largest Employers in New Mexico⁸

Employer	# Employees	Location	Description
New Mexico State Government	31,100	Statewide	Government
US Federal Government	28,900	Statewide	Government
Sandia National Laboratories	15,100	Albuquerque	Research & Dev.
Walmart	14,725	Statewide	Retail
Los Alamos National Laboratory	14,150	Los Alamos	Research & Dev.
University of New Mexico	11,875	Albuquerque	Education
Presbyterian Healthcare Services	11,575	Statewide	Health Care
Albuquerque Public Schools	10,150	Albuquerque	Education
City of Albuquerque	5,800	Albuquerque	Government
McDonalds	4,675	Statewide	Food Service
New Mexico State University	3,800	Las Cruces	Education
Lovelace Hospitals	3,650	Albuquerque	Health Care
Amazon	3,500	Albuquerque	Retail
Allsup's Convenience Stores	3,000	Statewide	Retail
Albertsons Market	2,750	Statewide	Retail
Lowe's Home Improvement	2,600	Statewide	Retail/Call Center
Las Cruces Schools	2,500	Las Cruces	Education
Bernalillo County	2,375	Albuquerque	Government
Christus St. Vincent Hospital	2,375	Santa Fe	Health Care
Smith's Food	2,350	Statewide	Retail

⁵U.S. Bureau of Economic Analysis, "SQGDP1 State quarterly gross domestic product (GDP) summary"

⁶ U.S. Bureau of Labor Statistics, Civilian Labor Force in New Mexico [NMLF], retrieved from FRED, Federal Reserve Bank of St. Louis; Civilian Labor Force in New Mexico | ALFRED | St. Louis Fed (stlouisfed.org), updated Aug 20, 2025

⁷ U.S. Bureau of Labor Statistics: New Mexico Economy at a Glance (bls.gov)

⁸ New Mexico Partnership: New Mexico Largest Employers - 2021 NMPartnership

Key Initiatives

Institutional consolidation

Increasing operational efficiency to accommodate growth and change continued as an initiative in fiscal year 2025. NMFA’s staff size has almost doubled over the past five years, going from 44 approved FTE’s in fiscal year 2020 to 77 approved at the end of fiscal year 2025. The total number of active programs has more than doubled, going from 10 to 23 in that same time period. The funding for some of the key recurring programs, like the WPF and DWSRLF, has also grown markedly.

Key NMFA Financial Characteristics (in billions \$)

	FY 2020	FY 2025
Cash & Investments	0.7	1.4
Total Assets	2.4	3.5
Gross Loans Receivable	1.7	2.1
Net Position	0.6	1.2
Total Revenue	0.1	0.4

All these indicators saw significant growth—some by over 100%. However, their individual and collective changes only partially capture the challenges the organization faces in adapting to the forces driving this growth and the resulting operational and strategic impacts. To meet the demands of increased activity, complexity, and overall organizational expansion, NMFA has launched three key initiatives.

New Headquarters

To accommodate the increase in staff, in fiscal year 2023, NMFA launched a \$16.1 million capital project to relocate its offices to a larger and more accommodating building. The Board authorized the purchase and renovation of a building at 810 San Mateo Road in mid-town Santa Fe. This project was near completion by the end of fiscal year 2025. Working remotely since January, preparations were underway in June to begin their relocation to the new building beginning in July for key staff.

Document Retention and Data Management

Another step NMFA has taken to assimilate the change it has seen recently and be ready for more change in the future is the documentation and updating of its policies and procedures and reorganization of its document and records management system. The organization has also undertaken a major upgrade of its current technical capabilities and security posture through both software and hardware improvements.

Integrated Business Applications

In fiscal year 2025, NMFA began planning for a capital project to upgrade and integrate its disparate technologies, including loan servicing, customer relations management, and general ledger-related applications. Design of the project was completed by year-end, and the Board approved \$1.6 million for this project for fiscal year 2026. The expected outcome is a system that will integrate all NMFA’s business processes, as well as its key software applications.

Budget Performance

NMFA’s budget and actual results for budget are presented on a cash basis. Actual experience varied from what was planned in the budget in both revenue and expenditure.

	Budgeted	Actual	\$ Difference	% Difference
Revenues	\$ 377,052,788	\$ 388,608,193	\$ 11,555,405	3.1
Expenditures	210,896,130	230,538,099	(19,641,969)	-9.3
Net	<u>\$ 166,156,658</u>	<u>\$ 158,070,094</u>	<u>\$ (8,086,564)</u>	<u>-4.9</u>

Actual budget performance varied significantly from the approved fiscal year 2025 budget. Three main factors drove this variance:

- Decrease in PPRF volume,
- Increase in water programs activity and
- Delay in the occupation of the new headquarters.

PPRF Volume

PPRF volume has declined in recent years, largely driven by higher interest rates and increased State and Federal appropriations to local governments for capital projects. Loan fundings and refinancings fell below the average of recent years:

PPRF Loan Applications and Volume

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
New loans	83	80	61	79	60
Total volume of new loans	\$ 166,180,616	\$ 196,822,380	\$ 179,961,727	\$ 258,455,406	\$ 214,299,124
Refunding loans	13	12	0	0	0
Total of refunding loans	\$ 76,440,886	\$ 52,780,612	\$ -	\$ -	\$ -
Total number of loans	96	92	61	79	60
Total loan volume	\$ 242,621,502	\$ 249,602,992	\$ 179,961,727	\$ 258,455,406	\$ 214,299,124

The decline in PPRF loan applications and closings also led to lower-than-budgeted legal services expenditures, as outside legal counsel was called to draft fewer loan agreements than budgeted.

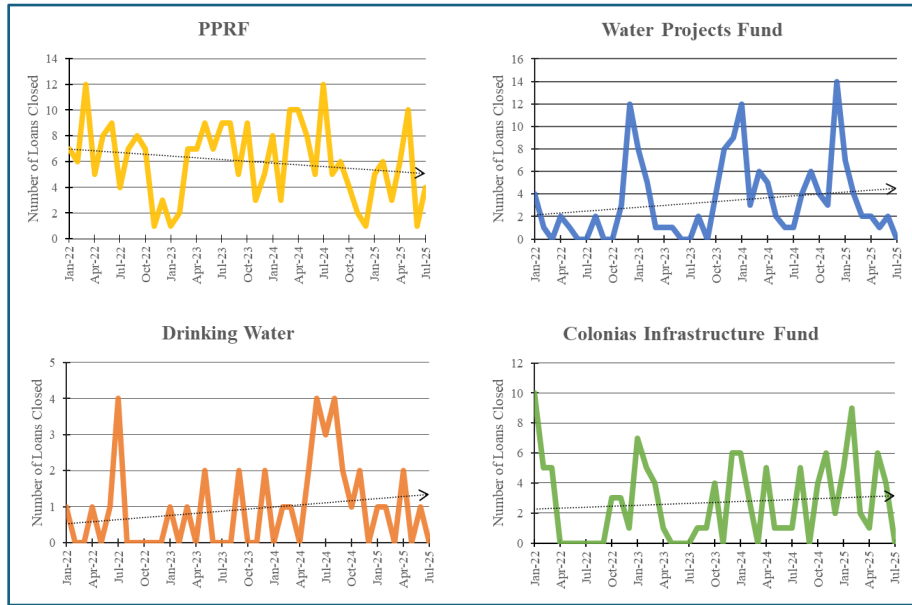
Water Programs Activity

Compared to the PPRF, activity in all the water programs has been rising steadily since the end of the COVID pandemic. Average monthly closings for all the water programs combined tied or exceeded that of the PPRF beginning in January 2024. See Monthly Closings January 2022-June 2025 chart below Also, driving the increase in activity in the water programs is the growing size of loans in the Water Project Fund, the largest of the water programs in terms of grant expense and revenue. From fiscal year 2022 to 2025, the number of loans increased by 31%.

The water programs (CIF, WPF and DW) are typically grant and loan packages. Because almost all awards are a grant and loan package, growth in the number and size of awards results in an increase

in grant revenue and expense for the outside legal counsel preparing the loan and loan/grant agreements.

Monthly Loan Closings January 2022—June 2025



Occupation of New Headquarters

At the start of fiscal year 2025, it was expected that the new building would be ready for staff to begin moving in by January. The budget approved in May 2024 included funding for six months of occupancy. However, by Fall 2024, it became clear that the building would not be ready—even by February, when the lease on the old building was set to expire. As a result, all staff were directed to work remotely. Occupancy of the new building did not begin until fiscal year 2026.

Revenue

Total actual revenues came in \$11.6 million (3.1%) above what was projected, with significant offsetting line-item variances.

Appropriation revenue was \$17.2 million (11.7%) below budget due to unfulfilled transfers from the State.

FY 2025 Budget vs Actual Appropriations

	Budgeted	Actual	\$ Difference	% Difference
Public Project Revolving Fund	\$ 38,125,000	\$ 40,624,145	\$ 2,499,145	6.6
Child Care Revolving Loan Fund	1,750,000	1,750,000	-	0.0
Energy Efficiency Revolving Loan Fund	5,078,277	5,078,277	-	0.0
Opportunity Enterprise - Commercial	50,000,000	-	(50,000,000)	-100.0
SSBCI 2.0 - Capital Assets	17,693,633	-	(17,693,633)	-100.0
SSBCI 2.0 - Loan Participation	2,000,000	-	(2,000,000)	-100.0
Venture Capital	10,000,000	10,000,000	-	0.0
Water Project Fund/Water Trust Board	22,000,000	72,000,000	50,000,000	227.3
Total	<u>\$ 146,646,910</u>	<u>\$ 129,452,422</u>	<u>\$ (17,194,488)</u>	<u>-11.7</u>

Grant revenue saw a significant increase, rising from \$97.4 million in fiscal year 2024 to \$144.3 million (48.1%) in fiscal year 2025.

Program	Budgeted	Actual	\$ Difference	% Difference
Drinking Water	\$ 18,767,000	\$ 34,281,475	\$ 15,514,475	82.7
Colonias	37,380,000	34,570,440	(2,809,560)	-7.5
Water Projects	61,710,000	75,429,009	13,719,009	22.2
LEDA	-	10,532	10,532	0.0
ECECD-Supply	-	(37,572)	(37,572)	0.0
Total	<u>\$ 117,857,000</u>	<u>\$ 144,253,884</u>	<u>\$ 26,396,884</u>	<u>22.4</u>

Interest income from investments exceeded the budget of \$31.3 million (19.9%) as rising interest rates during the year ensured that maturing cash positions poured into higher rate investments.

Expenditures

Total expenditures came in \$19.6 million (9.3%) above budget. The main reason for this was much greater-than-projected (\$93.4 million vs. \$120.2 million) grant expense, primarily in the Drinking Water and Water Project Fund programs.

Program	Budgeted	Actual	\$ Difference	% Difference
Drinking Water	\$ 7,069,548	\$ 20,503,242	\$ (13,433,694)	-190.0
Colonias	33,643,000	31,222,153	2,420,847	7.2
Water Projects	51,219,300	67,410,933	(16,191,633)	-31.6
Local Govt Planning	1,500,000	1,125,148	374,852	25.0
ECECD-Supply	-	(57,642)	57,642	0.0
Total	<u>\$ 93,431,848</u>	<u>\$ 120,203,834</u>	<u>\$ (26,771,986)</u>	<u>-28.7</u>

The other expenditure categories that varied significantly were capital expenditures, loan financing pass-through, interest expense, and operating expenses.

Total NMFA Budget Performance Report Year ended June 30, 2025

	Actual FY 2024	Approved and Amended FY 2025	Actual FY 2025	\$ Favorable (Unfavorable) Variance FY 25-Actual	% Favorable (Unfavorable) Variance FY 25-Actual
Revenues					
Interest income from loans	52,885,394	58,221,027	57,381,986	(839,041)	-1.4%
Appropriation revenue	233,628,887	146,646,910	129,452,422	(17,194,488)	-11.7%
Grant revenue	97,383,209	117,857,000	144,253,884	26,396,884	22.4%
Interest income from investments	26,336,530	31,321,120	37,539,193	6,218,073	19.9%
Administrative fees and reimbursements	6,498,152	23,006,731	19,980,708	(3,026,023)	-13.2%
Total Revenues	<u>416,732,172</u>	<u>377,052,788</u>	<u>388,608,193</u>	<u>11,555,405</u>	<u>3.1%</u>
Operating Expenses					
Salaries and benefits	10,140,607	12,553,492	11,899,853	653,639	5.2%
Contractual services	5,131,451	7,717,586	5,474,497	2,243,089	29.1%
Other operating costs	1,874,457	3,073,001	1,933,477	1,139,524	37.1%
Total Operating Expenses	<u>17,146,515</u>	<u>23,344,079</u>	<u>19,307,827</u>	<u>4,036,252</u>	<u>17.3%</u>
Non-operating Expenses					
Bond interest expense	63,226,169	65,268,804	65,523,699	(254,895)	-0.4%
Bond issuance costs	1,458,170	1,350,000	1,411,717	(61,717)	-4.6%
Loan financing pass-through	7,895,276	10,000,000	7,788,202	2,211,798	22.1%
Grant expense	81,097,848	93,431,848	120,203,834	(26,771,986)	-28.7%
Interest expense	643,449	4,180,498	1,657,154	2,523,344	60.4%
Transfers to Other Agencies	14,681,988	6,480,000	5,630,761	849,239	13.1%
GASB 87 & 96 principal	471,125	486,235	524,389	(38,154)	-7.8%
Capital Expenditures	3,423,025	6,354,666	8,490,516	(2,135,850)	-33.6%
Total Non-operating Expenses	<u>172,897,050</u>	<u>187,552,051</u>	<u>211,230,272</u>	<u>(23,678,221)</u>	<u>-12.6%</u>
Total Expenses	<u>190,043,565</u>	<u>210,896,130</u>	<u>230,538,099</u>	<u>(19,641,969)</u>	<u>-9.3%</u>
Revenue Over Expenses	<u>\$ 226,688,607</u>	<u>\$ 166,156,658</u>	<u>\$ 158,070,094</u>	<u>\$ (8,086,564)</u>	<u>-4.9%</u>

Operating Expenditures

Total expenditure for the Operating Fund came in a net of \$4.0 million under budget. Costs were below forecasts most significantly in Contractual Services and Other Operating Costs, \$2.2 million and \$1.1 million respectively. These savings were offset by an increase in spending on Capital expenses of \$2.1 million (\$6.4 million vs \$8.5 million).

Personnel costs were 5.2% under budget. Timing of onboarding new employees accounts for the majority of this variance.

In Contractual Services, legal counsel spending was \$0.6 million under budget as a result of fewer loans, grants and limited partnership closings, primarily in PPRF and Opportunity Enterprise.

Non-legal contracted services had \$1.2 million less in spending than budgeted, mostly as the result of initiatives that were not completed in the fiscal year.

Operations expenses came in under budget \$1.1 million. The most significant variance in this area was \$278,000 saved by not occupying the new building until after year-end.

Readers are specifically directed to Management Discussion & Analysis beginning on page 18 to learn more about NMFA's financial position at the end of fiscal year 2025.

Respectfully submitted,



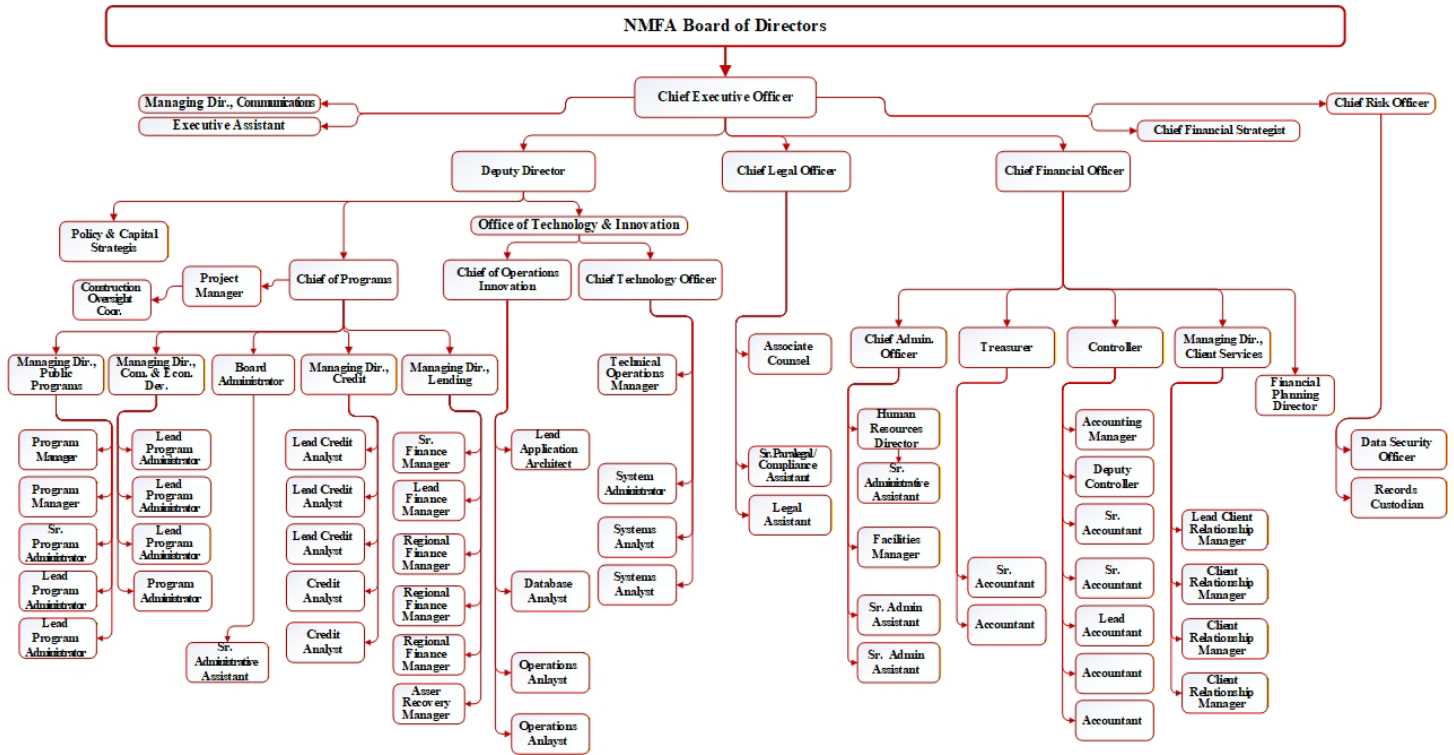
Marquita D. Russel
Chief Executive Officer



Oscar S. Rodriguez
Chief Financial Officer

ORGANIZATIONAL CHART

Effective June 30, 2025



NMFA LEADERSHIP

Board of Directors

Kathy Keith
Chair

Director of Community
Partnerships
Los Alamos National
Laboratory
Member

A. J. Forte
Secretary

Executive Director
New Mexico Municipal
League

Joy Esparsen

Executive Director
New Mexico Counties

Martin Abran Suazo
Vice Chair

Member

Rob Black

Secretary
New Mexico
Economic Development
Department

Andrew J. Burke

Member

Teresa Costantinidis
Executive Vice President
for Finance and
Administration
University of New Mexico

Ronald J. Lovato

Member

Melanie Kenderdine

Secretary
New Mexico Energy,
Mineral and Natural
Resources Department

James Kenney

Secretary
New Mexico Environment
Department

Wayne Propst

Secretary
New Mexico Department
of Finance &
Administration

Management

Marquita D. Russel

Chief Executive Officer

Oscar S. Rodriguez

Chief Financial Officer

Fernando Martinez, Jr.

Deputy Director

John Brooks

Chief of Programs

Dora Mae Cde Baca

Chief Administrative Officer

Adam K. Johnson

Chief Innovation Officer

Mark Chaiken

General Counsel

Bryan Agustin Otero

Chief Risk Officer

Paul Romero

Chief Technology Officer

Financial Information





Jaramillo Accounting Group LLC

Certified Public Accountants

Audit, Fraud, Consulting

www.JAG.CPA

REPORT OF INDEPENDENT AUDITORS

Governing Board
New Mexico Finance Authority
Santa Fe, New Mexico

and

Mr. Joseph M. Maestas, P.E., CFE
New Mexico State Auditor
Santa Fe, New Mexico

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of the enterprise fund and fiduciary fund for New Mexico Finance Authority (NMFA), a component unit of the State of New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise NMFA's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and fiduciary fund of NMFA as of June 30, 2025, 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.

BASIS FOR OPINION

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NMFA 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.

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 NMFA'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.

AUDITOR'S 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 auditor's 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 NMFA'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 NMFA'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.

EMPHASIS OF MATTER

Reporting Entity

As discussed in Note 1, the financial statements of NMFA are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities of the State of New Mexico that is attributable to the transactions of NMFA. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2025, the change in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the Table of Contents 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NMFA's basic financial statements. The Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, Combining Statement of Cash Flows, and Schedule of Pledged Collateral 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 auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, Combining Statement of Cash Flows, and Schedule of Pledged Collateral, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

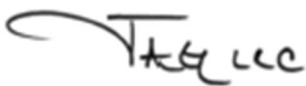
OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and other information sections, but does not include the basic financial statements and our auditor's 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 financial statements, or if 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 a report dated October 31, 2025, on our consideration of NMFA'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering NMFA's internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
October 31, 2025

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

The New Mexico Finance Authority (NMFA) pursues the mission of being *New Mexico's partner in building economic prosperity and stronger communities*. The customers it serves are the State of New Mexico, regional public utility systems, municipalities, counties, school districts, Native American tribes, for-profit businesses, and non-profit organizations. The information presented in this section reflects, in part, NMFA's financial performance in this pursuit.

Generally accepted accounting principles (GAAP) require that management provide an overview and analysis of the Basic Financial Statements. As management of NMFA, we offer this narrative of NMFA's financial activities for fiscal year 2025. We encourage readers to consider the information presented here in conjunction with the additional information provided in our Introduction, Statistical Information and Other Information sections of this report.

NMFA's financial results are presented in terms of three basic financial statements:

- ◆ The ***Statement of Net Position*** presents information on the assets and liabilities of NMFA, with the difference between the assets and the liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.
- ◆ The ***Statement of Revenues, Expenses and Changes in Net Position*** presents information reflecting changes in the net position of NMFA resulting from net income during fiscal year 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.
- ◆ The ***Statement of Cash Flows*** reports the cash flows from operating activities, noncapital financing activities, capital and related financing activities and investing activities, and the resulting change in cash and cash equivalents during fiscal year 2025.

Fund accounting is at the foundation of our internal control and financial reporting. We group related accounts and transactions into distinct funds to maintain control over resources that law and/or governing documents mandate be segregated for specific activities or objectives. We also report the results of NMFA's financial activities in terms of funds to demonstrate compliance.

Although NMFA operates as an instrumentality of the State of New Mexico, it is not a taxing authority and does not undertake any governmental functions. All of its programs and supporting activities are operated as proprietary enterprises. For this reason, we present NMFA's combining financial statements as distinct proprietary funds, including the internal Operating Fund.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Financial Overview and Analysis

All Funds Combined

The Statement of Net Position reflects positive results in fiscal year 2025. Assets exceeded liabilities by more than \$1.2 billion or 53.7% and Total Net Position increased by \$174.5 million (16.9%).

Total cash decreased \$90.8 million (19.8%) to \$367.7 million, mostly because of a \$82.7 million (18.6%) decrease in restricted cash. Total cash and investments increased 13.7%, going from \$1.2 billion to \$1.4 billion, Investments, which accounts for 73.6% of all cash, were the fastest growing component of this total, increasing by \$257.9 million (33.7%).

Total assets increased by \$200.0 million (6.1%), ending the year at \$3.5 billion, primarily as the result of capital investment in the new office space of \$7.7 million, investment in limited partnerships of \$6.6 million, and increase in Other Receivables of \$10.7 million., \$257.9 million increase in investments which is offset by \$90.8 million decrease in cash.

For fiscal year 2025, total bonds payable remained stable, increasing by \$12.8 million (0.8%). Four new bond series were issued (2024 B, 2025 A1, 2025 A2 and 2025 B), totaling \$187.2 million. Three bonds were redeemed (2014 A1, 2014 A2 and 2014 B) with cash totaling \$26.5 million.

The table on the following page presents, in a condensed fashion, the Combined Statements of Net Position as of June 30, 2025 and 2024 and the corresponding dollar amount and percentage changes.

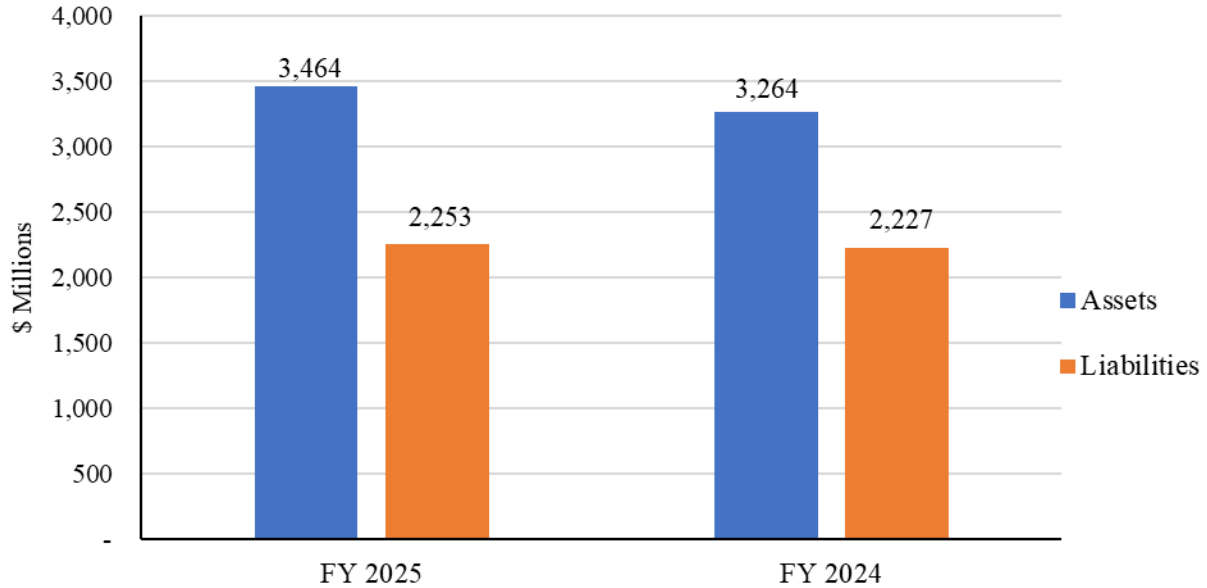
NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Condensed Statements of Net Position

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Assets				
Cash and cash equivalents				
Unrestricted cash	\$ 5,468,794	\$ 13,565,406	\$ (8,096,612)	-59.7%
Restricted cash	362,254,831	444,959,082	(82,704,251)	-18.6%
Loans receivable, net of allowance	2,021,174,127	2,013,326,318	7,847,809	0.4%
Investments - restricted and unrestricted	1,023,028,457	765,122,512	257,905,945	33.7%
Investments in limited partnerships	8,328,581	1,752,624	6,575,957	375.2%
Other receivables	27,927,391	17,154,282	10,773,109	62.8%
Capital assets, net of accumulated depreciation and amortization	16,067,634	8,344,148	7,723,486	92.6%
Total Assets	3,464,249,815	3,264,224,372	200,025,443	6.1%
Deferred Outflows of Resources				
Deferred loss on refunding, non-capital assets	443,554	493,576	(50,022)	-10.1%
Total Deferred Outflows of Resources	443,554	493,576	(50,022)	-10.1%
Liabilities				
Bonds payable	1,585,093,562	1,572,292,176	12,801,386	0.8%
Undisbursed loan proceeds	449,091,474	417,774,543	31,316,931	7.5%
Advanced loan payments	113,426,277	101,280,382	12,145,895	12.0%
Payable to State Investment Council	95,290,405	125,586,033	(30,295,628)	-24.1%
Accounts payable, accrued payroll and compensated absences	2,547,623	2,180,930	366,693	16.8%
Other liabilities	7,895,356	8,256,683	(361,327)	-4.4%
Total Liabilities	2,253,344,697	2,227,370,747	25,973,950	1.2%
Deferred Inflows of Resources				
Deferred gain on refunding, non-capital assets	828,220	1,403,491	(575,271)	-41.0%
Deferred Inflows of Resources	828,220	1,403,491	(575,271)	-41.0%
Net Position				
Net investment in capital assets	15,908,909	7,799,646	8,109,263	104.0%
Restricted for program commitments	1,174,462,528	999,081,112	175,381,416	17.6%
Unrestricted	20,149,015	29,062,952	(8,913,937)	-30.7%
Total Net Position	\$ 1,210,520,452	\$ 1,035,943,710	\$ 174,576,742	16.9%

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Assets vs. Liabilities



The Statement of Revenues, Expenses and Changes in Net Position provides context for the result in the Statement of Net Position. Total revenue exceeded total expenses, and the change in net position increased by \$174.5 million (16.9%) from fiscal year 2024. Net operating gain was \$27.0 million and net non-operating revenue was \$147.6 million. Interest income on loans, which accounts for 55.9% of all operating income, remained stable, increasing \$1.2 million (2.0%). Interest income from investments, which comprises 40.0% of total operating income, experienced the most significant growth, increasing by \$12.7 million (43.1%) reflecting favorable market bond rates in our investment portfolio.

Appropriation revenue decreased \$104.2 million (44.6%) to \$129.5 million reflecting the significant increase in fiscal year 2024 for the Opportunity Enterprise Commercial and Housing appropriations of \$175.0 million. During the 2024 legislative session, the NMFA received an appropriation of \$72.0 million to the Water Project Fund for fiscal year 2025 pursuant to House Bill 2 as additional funding.

Grant revenue and expense saw increased activity in fiscal year 2025 relating to heightened construction of infrastructure projects in the Water Project Fund (revenue \$75.4 million, expense \$67.4 million), Drinking Water State Revolving Loan Fund (revenue \$34.3 million, expense \$20.5 million), and Colonias Infrastructure Fund (revenue \$34.6 million, expense \$31.2 million). The relationship between grant revenue and grant expense is not 1:1, as appropriations recognized in prior years are used to pay requisitions in subsequent years and are not recognized as grant revenue.

The following table presents, in a condensed fashion, the Combined Statement of Revenues, Expenses and Changes in Net Position for fiscal years 2025 and 2024 and the corresponding net dollar amount and percentage changes.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Condensed Statement of Revenue, Expenses and Changes in Net Position

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Operating Revenue				
Interest on loans	\$ 58,761,213	\$ 57,597,888	\$ 1,163,325	2.0%
Administrative fees revenue	4,245,723	6,529,028	(2,283,305)	-35.0%
Interest on investments, net of unrealized gain/loss	42,148,550	29,460,923	12,687,627	43.1%
Total Operating Revenues	105,155,486	93,587,839	11,567,647	12.4%
Operating Expenses				
Bond interest expense, net of amortization of bond premium	45,786,225	48,402,902	(2,616,677)	-5.4%
Personnel expense	12,685,014	10,326,372	2,358,642	22.8%
Loan financing pass-through	7,788,202	7,895,276	(107,074)	-1.4%
Professional services	5,474,497	5,293,947	180,550	3.4%
Provision for loan losses	(939,755)	2,731,142	(3,670,897)	-134.4%
Other operating costs	2,194,099	2,542,976	(348,877)	-13.7%
Interest expense	1,716,691	2,158,999	(442,308)	-20.5%
Bond issuance costs	1,411,717	1,458,170	(46,453)	-3.2%
Depreciation expense	949,267	1,163,607	(214,340)	-18.4%
Limited partnership investment loss	1,103,544	390,492	713,052	182.6%
Total Operating Expenses	78,169,501	82,363,883	(4,194,382)	-5.1%
Net Operating Gain	26,985,985	11,223,956	15,762,029	140.4%
Non-operating Revenue (Expenses)				
Appropriation revenue	129,452,422	233,628,887	(104,176,465)	-44.6%
Federal grants revenue and transfers from State	144,253,884	97,383,209	46,870,675	48.1%
Grants expense	(120,203,834)	(81,097,848)	(39,105,986)	-48.2%
Transfers to the State of New Mexico	(5,911,715)	(14,681,988)	8,770,273	59.7%
Net Non-Operating Revenue	147,590,757	235,232,260	(87,641,503)	-37.3%
Increase in Net Position	174,576,742	246,456,216	(71,879,474)	-29.2%
Net Position, Beginning of Period	1,035,943,710	789,487,494	246,456,216	31.2%
Net Position, End of Period	\$ 1,210,520,452	\$ 1,035,943,710	\$ 174,576,742	16.9%

The flow of cash from the Federal Government and State of New Mexico to public and private recipients through NMFA, which shows up as grant revenue and transfers from the State, in fiscal year 2025, increased \$46.9 million to \$144.3 million (48.1%). Grant expense increased \$39.1 million (48.2%) to \$120.2 million. The result of grant activity is an increase to Net Position of \$7.8 million.

Net cash provided by operating activities increased \$42.4 million (827.2%). Notable changes from fiscal year 2024 include a \$6.7 million (38.4%) increase in cash paid to employees and vendor services, and a \$61.4 million (831.7%) increase in cash received from loan activities.

Noncapital financing activities decreased by 41.0%. This decline was primarily due to a \$104.2 million (44.6%) reduction in appropriations, a \$69.9 million cash outflow related to bond payments and redemptions and a decrease of cash transferred to the State of New Mexico, from \$84.4 million in fiscal year 2024 to \$6.6 million in fiscal year 2025.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Net cash used in investing activities increased \$61.0 million (37.5%) with net sale/purchase of investments increasing \$68.1 million (35.6%) and increased interest received of \$12.7 million (43.0%)

Cash used to purchase capital investments increased \$5.2 million to \$9.1 million (135.5%) as NMFA continued construction of its new office location.

The following table presents, in a condensed fashion, the Combined Statements of Cash Flows for fiscal years 2025 and 2024 and the corresponding net percentage changes.

Condensed Statements of Cash Flows

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Net cash provided by (used in) operating activities	\$ 37,256,237	\$ (5,123,532)	\$ 42,379,769	827.2%
Net cash provided by non-capital financing activities	104,570,693	177,336,873	(72,766,180)	-41.0%
Net cash (used in) investing activities	(223,569,263)	(162,562,827)	(61,006,436)	-37.5%
Net cash (used in) capital financing activities	(9,058,530)	(3,845,719)	(5,212,811)	-135.5%
Net (decrease) increase in cash and cash equivalents	(90,800,863)	5,804,795	(96,605,658)	-1664.2%
Cash and cash equivalents, beginning of year	458,524,488	452,719,693	5,804,795	1.3%
Cash and cash equivalents, end of year	\$ 367,723,625	\$ 458,524,488	\$ (90,800,863)	-19.8%

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Long-term Debt Activity

NMFA carries two types of long-term debt: PPRF bonds and payable to the New Mexico State Investment Council (SIC).

Long-term debt for bonds is entirely a function of the PPRF, which issues bonds and uses the proceeds to originate loans that, in turn, pay the debt service on the bonds. Demand for PPRF loans was slightly down in fiscal year 2025. To meet this demand, NMFA issued four new bond series for a total of \$187.2 million in new debt to replenish the PPRF loan fund.

Total actual proceeds from these bond issues totaled \$202.2 million. This includes \$15.0 million in bond premiums, of which \$7.8 million was passed through to borrowers who participated in the bond packages as simultaneous loan closings and bond issuances. Detailed information about NMFA's long-term debt is presented in Note 6 and NMFA's fiduciary relationship with NMDOT bonds in Note 10 to the Financial Statements.

The table on the following page summarizes the source and uses for the bond series issued in fiscal year 2025.

The payable to SIC is the result of legislation which directed the SIC to invest up to \$500.0 million for loans made by the SBRLF, with the SIC receiving loan repayments. At fiscal year-end, SIC had invested a total of \$187.0 million since the program began. The program funded \$178.0 million in loans and is holding \$12.9 million in restricted cash. NMFA receives debt service payments and recognizes a current payable reduction to SIC for the same amount, less an allowance for bad debt. The liability from NMFA to SIC also recognizes a reduction for fees paid to a third-party servicer for providing financial counseling to borrowers and loan servicing for the SBRLF program.

GASB Statement No. 87 - *Leases* activity for the fiscal year included the disposal of the lease asset and accumulated depreciation related to the office space on Shelby Street. This lease terminated on February 28, 2025, resulting in the deletions of \$2,092,027 in leased assets and \$2,028,287 in accumulated amortization. Additionally, a new leased asset of \$199,944 was added for computer equipment. As of year-end, lease liabilities totaled \$150,450, representing the remaining amount due on the computer equipment. Lease interest expense for fiscal year 2025 amounted to \$6,779. See Note 5 on pages 67 and 68.

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements (SBITA)* activity for the fiscal year included principal reduction of \$14,250 and interest expense of \$409. See Note 5 on page 68.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Issue Date	Series	Source/Uses	Amount	Uses other than Loans
October 16, 2024	2024 B	PAR	\$45,315,000	
		Premium	4,744,632	
February 2, 2025	2025 A1	PAR	77,420,000	
		Premium	7,136,593	
		Borrower Premium Pass-through		5,502,085
February 2, 2025	2025 A2	PAR	21,790,000	
		Premium	481,383	
		Borrower Premium Pass-through		481,383
May 19, 2025	2025 B	PAR	42,685,000	
		Premium	2,654,401	
		Borrower Premium Pass-through		1,804,734
TOTALS:		PAR	\$187,210,000	
		Premium	15,017,009	
		Borrower Premium Pass-through		7,788,202

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Public Project Revolving Fund

The PPRF is NMFA’s flagship program. It was created by the State Legislature with the enactment of the New Mexico Finance Authority Act (Act) of 1992 to assist a wide range of public entities throughout the state in accessing the capital markets at low or below-market interest rates. The PPRF is used to finance and refinance public projects such as infrastructure improvements, road projects, water system upgrades, fire and law enforcement equipment, public buildings, hospitals and healthcare facilities, electric and broadband utilities, and quality of life projects, among others. It provides both market-rate loans and loans to disadvantaged communities at 0% and 2% subsidized interest rates. Since January 2020, NMFA does not charge fees on its PPRF loans. A share of the State’s Governmental Gross Receipts Tax (GGRT) is dedicated to the PPRF, which NMFA uses as a credit enhancement to issue bonds resulting in a high credit rating. NMFA uses available funds to make loans to borrowers and then replenishes the PPRF by issuing tax-exempt bonds secured by the PPRF loans made to qualified entities and the annual GGRT receipts.

The PPRF accounts for more than half of NMFA’s assets and operations. The PPRF made up 29.3% of NMFA’s total revenue, including appropriations from the State, in fiscal year 2025.

PPRF Share of NMFA

	PPRF	NMFA	% PPRF
Total Assets	\$2.6 billion	\$3.5 billion	73.6%
Net Position	\$399.0 million	\$1.2 billion	33.0%
Operating Revenue	\$70.4 million	\$105.2 million	67.0%
Total Gross Revenue	\$111.0 million	\$378.8 million	29.3%

The purpose of the PPRF is to coordinate planning and financing of state and local public projects with qualified borrowers that find it advantageous to secure financing through the PPRF. Qualified entities, including but not limited to counties, municipalities, school districts and tribes are eligible to borrow from the PPRF.

NMFA makes PPRF loans of up to \$10 million from funds on hand. The PPRF’s cash is replenished at a later date through bonds that are sold in the open market. Loans larger than \$10 million are generally funded through simultaneous closings with a reimbursement bond issue, ensuring a matching of loan and bond interest rates.

Infrastructure finance agencies similar to NMFA are often called “bond banks.” Financial statements for the PPRF are presented in the following pages in a format similar to that employed by commercial banking organizations.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

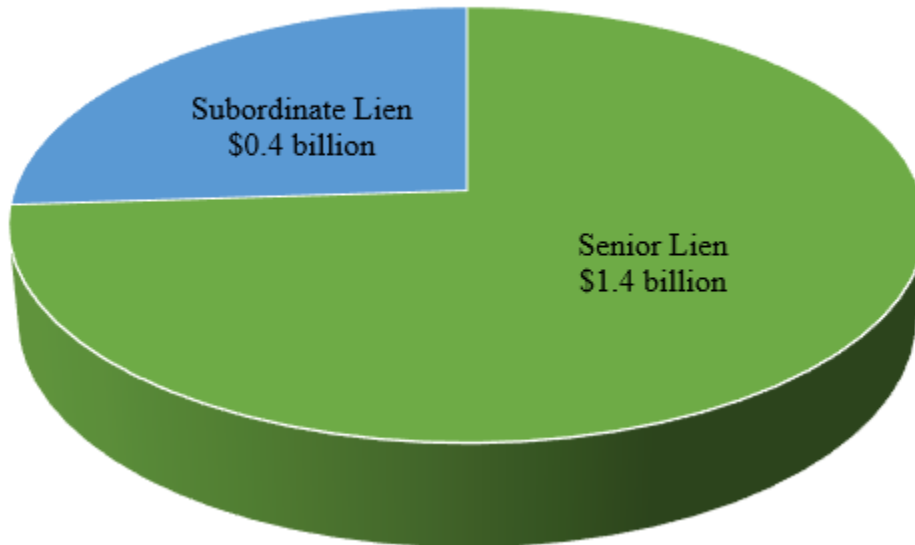
From inception in 1992 through June 30, 2025, the PPRF funded \$5.4 billion in loans.

PPRF Project Volume

	FY 2025	FY 2024	Since Inception
Amount of projects funded	\$214.3 million	\$258.5 million	\$5.4 billion
Number of projects funded	60	79	2,299
Refunding loans (included above)	---	---	---
Average project size	\$3.6 million	\$3.3 million	\$2.4 million

The PPRF maintains a General Indenture of Trust (Senior Lien) and a Subordinated Indenture of Trust (Subordinate Lien). At the end of fiscal year 2025, there were 847 active loans totaling \$1.8 billion outstanding. This represents an increase of \$26.1 million (1.57%) from last year. Most (75.6%) of the revenues from the PPRF loans are pledged to the Senior Lien Indenture, with the balance (24.4%) pledged to the Subordinate Lien Indenture. In terms of outstanding principal, the Senior Lien Indenture loans comprise 76.1% of the total. At the end of fiscal year 2025, the NMFA completed an update of all PPRF loan ratings provided by Moody’s, resulting in a \$2.0 million (232.9%) decrease in the provision of loan losses. This significant adjustment reflects that the PPRF currently holds no loans in default.

PPRF Outstanding Loan Principal: Senior Lien vs. Subordinate Lien



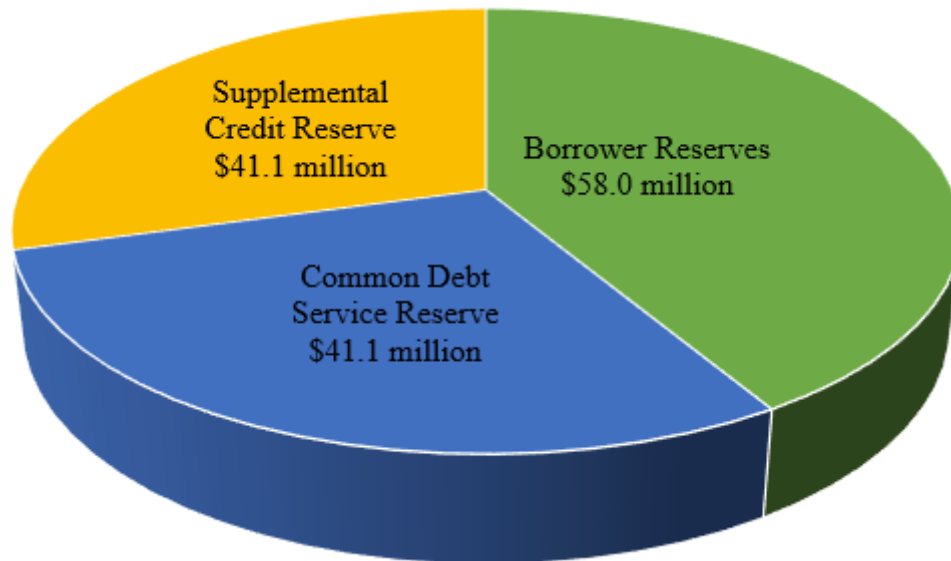
S&P Global Ratings (formerly known as Standard & Poor’s) has assigned its AAA rating to both the Senior Lien (since April 2011) and Subordinate Lien (since July 2017). Moody’s Investor

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
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Services has assigned the Senior Lien with its Aa1 rating to both the Senior Lien (since July 2010) and Subordinate Lien (since March 2022). To maintain these ratings, the PPRF holds reserves and credit enhancements. These include the Common Debt Service Reserve fund, Supplemental Credit Reserve Fund (SCRFF), and pooled borrower debt service reserves. The Common Debt Service Reserve is subject to the General Indenture of Trust and Pledge for the Senior Lien, and the SCRFF is subject to the Subordinated General Indenture of Trust and Pledge governing the subordinate lien. Borrower reserves are pledged to the individual loans.

During fiscal year 2025, NMFA issued \$187.2 million in PPRF bonds, which were used to directly fund loans and to reimburse the PPRF loan fund for loans already made.

Debt Service Reserves



Governmental Gross Receipts Tax

The GGRT is a tax imposed on the gross receipts of state and local governments for services rendered to customers such as water, sewer and solid waste collection. Three quarters (75%) of GGRT collections are appropriated to the PPRF by statute. NMFA’s share of GGRT collections was \$40.4 million in fiscal year 2025, up \$2.4 million (6.2%) from fiscal year 2024. This total includes amounts that are not needed for payments under the General Indenture of Trust and Subordinated Indenture of Trust and are appropriated from the PPRF by the Legislature to fund various legislative initiatives. The GGRT funds serve several functions:

- ◆ Credit enhancement for the PPRF bonds such that GGRT funds can be used to make up for any shortfall in funds available for bond payments in the event of a default by any of the loans in the portfolio

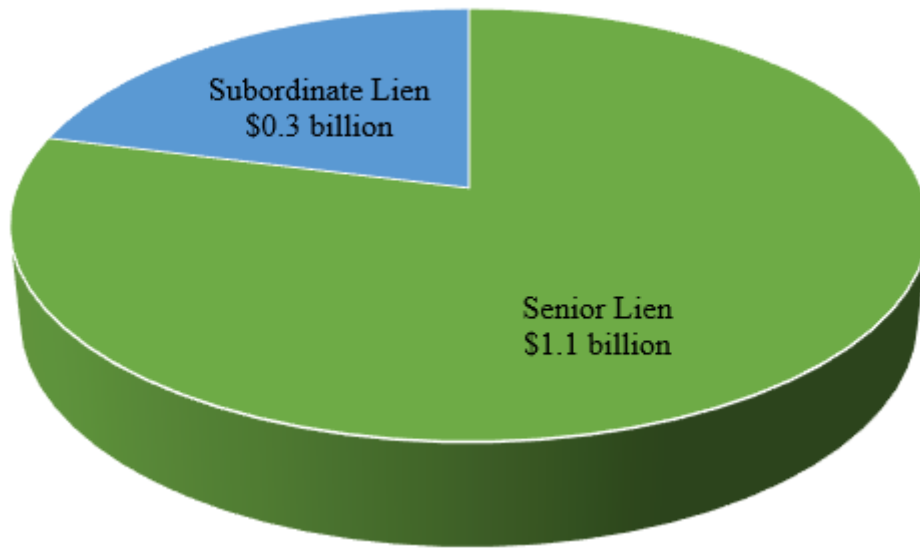
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- ◆ Fund loans to borrowers, especially smaller loans that may not be cost-effective to reimburse in a bond issue
- ◆ Pay operating expenses of the PPRF

As a mission-based lender, NMFA attempts to pass on to its borrowers the same rates paid on the bonds issued to provide loaned funds. In fiscal year 2025, the PPRF had net interest income of \$55.9 million, ending up at a net operating gain of \$9.3 million (371.0%) compared to the net gain of \$2.0 million in fiscal year 2024. This is mostly a result of a \$3.0 million (4.5%) increase in operating revenues offset by a \$2.6 million (5.4%) decrease in bond interest expense and a \$0.1 million (1.4%) decrease in loan financing pass-through expense.

PPRF’s long-term debt consists entirely of bond issues. At the end of fiscal year 2025, the total bond principal outstanding was \$1.4 billion. More detailed information about PPRF’s long-term debt is presented in Note 6 to the Financial Statements.

PPRF Outstanding Bond Principal: Senior Lien vs. Subordinate Lien



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Condensed Statements of Net Position – PPRF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Assets				
Cash and cash equivalents				
Restricted cash	\$ 182,478,397	\$ 180,411,771	\$ 2,066,626	1.1%
Loans receivable, net of allowance	1,777,061,811	1,750,756,960	26,304,851	1.5%
Restricted investments	566,940,006	503,474,875	63,465,131	12.6%
Other receivables	12,765,649	12,216,574	549,075	4.5%
Other assets	11,298,000	11,298,000	-	0.0%
Total Assets	2,550,543,863	2,458,158,180	92,385,683	3.8%
Deferred Outflows of Resources				
Deferred loss on refunding	443,554	493,576	(50,022)	-10.1%
Total Deferred Outflows of Resources	443,554	493,576	(50,022)	-10.1%
Liabilities				
Bonds payable	1,590,031,640	1,576,886,857	13,144,783	0.8%
Undisbursed loan proceeds	449,091,474	417,774,543	31,316,931	7.5%
Advanced loan payments	111,606,152	99,781,953	11,824,199	11.9%
Due to other funds	404,467	606,210	(201,743)	-33.3%
Other liabilities	71,556	70,778	778	1.1%
Total Liabilities	2,151,205,289	2,095,120,341	56,084,948	2.7%
Deferred Inflows of Resources				
Deferred gain on refunding	828,220	1,403,491	(575,271)	-41.0%
Deferred Inflows of Resources	828,220	1,403,491	(575,271)	-41.0%
Net Position				
Restricted for program commitments	398,751,315	350,564,773	48,186,542	13.7%
Unrestricted	202,593	11,563,151	(11,360,558)	-98.2%
Total Net Position	\$ 398,953,908	\$ 362,127,924	\$ 36,825,984	10.2%

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Condensed Statement of Revenues, Expenses and Changes in Net Position – PPRF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Operating Revenue				
Interest on loans	\$ 55,864,251	\$ 53,660,749	\$ 2,203,502	4.1%
Administrative fees revenue	868,396	982,020	(113,624)	-11.6%
Interest on investments	13,645,169	12,726,651	918,518	7.2%
Total Operating Revenues	70,377,816	67,369,420	3,008,396	4.5%
Operating Expenses				
Bond interest expense	45,786,225	48,402,902	(2,616,677)	-5.4%
Loan financing pass-through	7,788,202	7,895,276	(107,074)	-1.4%
Salaries and benefits	4,146,544	3,838,956	307,588	8.0%
Professional services	2,380,442	2,174,854	205,588	9.5%
Bond issuance costs	1,411,717	1,458,170	(46,453)	-3.2%
Other operating costs	722,609	765,714	(43,105)	-5.6%
Provision (reversal) for loan losses	(1,145,345)	861,719	(2,007,064)	-232.9%
Total Operating Expenses	61,090,394	65,397,591	(4,307,197)	-6.6%
Net Operating Gain	9,287,422	1,971,829	7,315,593	371.0%
Non-operating Revenue (Expenses)				
Appropriation revenue	40,624,145	38,290,935	2,333,210	6.1%
Transfers to the State of New Mexico	(13,085,583)	(14,319,592)	1,234,009	-8.6%
Net Non-Operating Revenue	27,538,562	23,971,343	3,567,219	14.9%
Increase (Decrease) in Net Position	36,825,984	25,943,172	10,882,812	41.9%
Net Position, Beginning of Period	362,127,924	336,184,752	25,943,172	7.7%
Net Position, End of Period	\$ 398,953,908	\$ 362,127,924	\$ 36,825,984	10.2%

Condensed Statements of Cash Flows – PPRF

	2025	2024	Net Increase / Decrease	Percentage Increase / Decrease
Net cash provided by (used in) operating activities	\$ 73,881,307	\$ (10,278,474)	\$ 84,159,781	818.8%
Net cash (used in) provided by non-capital financing activities	(21,994,719)	31,739,868	(53,734,587)	-169.3%
Net cash (used in) investing activities	(49,819,962)	(25,805,196)	(24,014,766)	-93.1%
Net increase (decrease) in cash and cash equivalents	2,066,626	(4,343,802)	6,410,428	147.6%
Cash and cash equivalents, beginning of year	180,411,771	184,755,573	(4,343,802)	-2.4%
Cash and cash equivalents, end of year	\$ 182,478,397	\$ 180,411,771	\$ 2,066,626	1.1%

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Small Business Recovery Loan Fund

In terms of loan receivables, and operational activity, SBRLF is the second-largest program NMFA operates. The loan program created through the Small Business Recovery Act of 2020 during a Special Session of the State Legislature authorized up to \$400.0 million for loans to New Mexico small businesses. The program was later expanded as part of the Small Business Recovery and Stimulus Act and ultimately directed the State Investment Council to invest up to \$500 million. The NMFA funded \$178 million in recovery loans from August 2020 through December 2022. In total, \$187.0 million was transferred to NMFA from this investment. From inception, \$178.0 million in loans have been funded.

The targeted borrowers were small businesses and non-profit organizations that had been harmed economically by the pandemic. SBRLF borrowers did not go through an underwriting process as they would with NMFA's other loan programs. They only had to show they met the requirements called for by the enabling legislation, like state residency, adverse economic impact from the pandemic, and maximum revenue requirements. Depending on the size of their enterprise, a borrower was qualified for up to a \$150,000 fixed ten-year low interest loan (50% of the prime rate, with no debt service the first year and interest only due the second and third year. The SBRLF application process was mandated to expire on December 31, 2022, and the last loan was funded in February 2023.

As of fiscal year 2025, the program has transitioned entirely to loan servicing. \$13.6 million of loan principal payments and \$2.4 million of interest payments were received during the year. During fiscal year 2025, 12 loans with approximately \$0.7 million of loan receivables were written off due to bankruptcy discharge and other circumstances. As compared to fiscal year 2024, \$7.7 million of loan payments and \$2.1 million of interest payments were received. The anticipated loan and interest payments in fiscal year 2026 are \$26.8 million and \$2.8 million, respectively. Cash received from borrowers is remitted to SIC monthly and reduces the liability from NMFA to SIC.

Since the disbursement phase of this program is completed, the outstanding loan receivable balance has decreased from \$160.3 million as of June 30, 2024, to \$146.1 million as of the end of fiscal year 2025. Based on history, borrower statuses, collections, and other relevant factors, management determined the expected credit loss on loans of \$68.3 million as of June 30, 2025. The increase in the allowance from fiscal year 2024 to 2025 is \$26.5 million. During fiscal year 2025, NMFA signed a contract with a third-party servicer to provide financial counseling to borrowers and loan servicing for the SBRLF program. As of July 1, 2025, the SBRLF loan portfolio is fully serviced by the third-party.

See the Condensed Statements of Net Position for the SBRLF on the following page.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Condensed Statements of Net Position – SBRLF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Assets				
Cash and cash equivalents				
Restricted Cash	\$ 12,865,265	\$ 743,783	\$ 12,121,482	1629.7%
Loans receivable	146,059,268	160,339,919	(14,280,651)	-8.9%
Allowance for doubtful loans	(68,346,101)	(41,873,078)	(26,473,023)	-63.2%
Other Receivables	329,362	1,410,476	(1,081,114)	-76.6%
Total Assets	90,907,794	120,621,100	(29,713,306)	-24.6%
Liabilities				
Payable to State Investment Council, current	44,372,520	21,161,548	23,210,972	109.7%
Payable to State Investment Council	50,917,885	104,424,485	(53,506,600)	-51.2%
Total Liabilities	95,290,405	125,586,033	(30,295,628)	-24.1%
Net Position				
Restricted for program commitments	(4,382,611)	(4,964,933)	582,322	11.7%
Total Net Position	\$ (4,382,611)	\$ (4,964,933)	\$ 582,322	11.7%

The increase in cash from fiscal year 2024 to 2025 is due to the timing of remittance of collected principal and interest to SIC.

See the Condensed Statement of Revenues, Expenses and Changes in Net Position for the SBRLF on the following page.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Condensed Statement of Revenues, Expenses and Changes in Net Position – SBRLF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Operating Revenue				
Interest on loans	\$ 1,345,019	\$ 1,916,073	\$ (571,054)	-29.8%
Administrative fees revenue	582,320	-	582,320	0.0%
Interest on investments	232,113	169,583	62,530	36.9%
Total Operating Revenues	2,159,452	2,085,656	73,796	3.5%
Operating Expenses				
Salaries and benefits	447,442	655,553	(208,111)	-31.7%
Professional services	54,687	113,918	(59,231)	-52.0%
Other operating costs	80,191	107,510	(27,319)	-25.4%
Interest expense	1,577,132	2,085,655	(508,523)	-24.4%
Total Operating Expenses	2,159,452	2,962,636	(803,184)	-27.1%
Net Operating Loss	-	(876,980)	876,980	100.0%
Non-operating Revenue (Expenses)				
Transfers to the State of New Mexico	582,322	1,775,013	(1,192,691)	-67.2%
Net Non-Operating Revenue	582,322	1,775,013	(1,192,691)	-67.2%
Increase (Decrease) in Net Position	582,322	898,033	(315,711)	-35.2%
Net Position, Beginning of Period	(4,964,933)	(5,862,966)	898,033	15.3%
Net Position, End of Period	\$ (4,382,611)	\$ (4,964,933)	\$ 582,322	11.7%

The cash flows for the SBRLF reflect the program's nature as repayments from loans transfer back to New Mexico's severance tax permanent fund. At year end, a cash balance of \$12.9 million is mainly the result of \$13.5 million of loan principal repayments, \$2.4 million in interest received on loans, net of \$3.8 million in repayments to the State and expenditures of cash in the NMFA Operating Fund for current operating costs.

Condensed Statements of Cash Flows – SBRLF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Net cash provided by operating activities	\$ 12,576,149	\$ 9,885,146	\$ 2,691,003	27.2%
Net cash (used in) non-capital financing activities	(686,780)	(11,324,574)	10,637,794	93.9%
Net cash provided by investing activities	232,113	169,583	62,530	36.9%
Net increase (decrease) in cash and cash equivalents	12,121,482	(1,269,845)	13,391,327	1054.6%
Cash and cash equivalents, beginning of year	743,783	2,013,628	(1,269,845)	-63.1%
Cash and cash equivalents, end of year	\$ 12,865,265	\$ 743,783	\$ 12,121,482	1629.7%

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Drinking Water State Revolving Loan Fund

The Drinking Water State Revolving Loan Fund (DWSRLF) is the largest water program NMFA operates, in terms of cash balances, loan receivables and total revenue. It is capitalized by Federal grants administered by the Environmental Protection Agency (EPA), State match and loan and interest repayments (known as Tier II). It was established in 1998 through the Drinking Water State Revolving Loan Fund Act (Section 6-21A-1 et seq. NMSA 1978) to underwrite drinking water projects in New Mexico. The loans are low-cost and in certain cases may contain principal forgiveness (grants) up to 75%. NMFA administers the program in partnership with the New Mexico Environment Department (NMED), which is reimbursed by the grant for performing certain technical activities through its Drinking Water Bureau.

The process for funding new loans begins with NMED publishing a Fundable Priority List. NMFA accepts applications from the list, which are then underwritten. The projects are funded in the order of priority until all available funds are used. The State match to the EPA capitalization grant is funded by periodic appropriations made by the Legislature from the PPRF. As of June 30, 2025, NMFA was servicing 139 DWSRLF loans totaling \$87.5 million.

Cash and investments increased \$17.5 million (12.8%) and totaled \$154.3 million as of June 30, 2025. This increase was mainly due to \$8.7 million in loan repayments. During fiscal year 2025 net loan receivables increased \$8.0 million (10.1%) due to \$16.7 million in loan disbursements net of loan repayments. Advanced loan payments increased from last year by \$0.3 million (21.5%), due to the increase in loan activity and borrowing entities making monthly payments in advance of their semi-annual debt service dates.

See the Condensed Statements of Net Position for the DWSRLF on the following page.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Condensed Statement of Net Position – DWSRLF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Assets				
Cash and cash equivalents				
Restricted Cash	\$ 39,683,713	\$ 68,659,151	\$ (28,975,438)	-42.2%
Loans receivable, net of allowance	87,510,538	79,505,847	8,004,691	10.1%
Restricted investments	114,625,397	68,133,387	46,492,010	68.2%
Other Receivables	193,845	380,659	(186,814)	-49.1%
Total Assets	242,013,493	216,679,044	25,334,449	11.7%
Liabilities				
Advanced loan payments	1,820,125	1,498,429	321,696	21.5%
Due to other funds	1,190,675	1,568,313	(377,638)	-24.1%
Other liabilities	1,569,294	1,314,630	254,664	19.4%
Total Liabilities	4,580,094	4,381,372	198,722	4.5%
Net Position				
Restricted for program commitments	237,398,591	212,241,158	25,157,433	11.9%
Unrestricted	34,808	56,514	(21,706)	-38.4%
Total Net Position	\$ 237,433,399	\$ 212,297,672	\$ 25,135,727	11.8%

Operating revenue for the DWSRLF increased \$1.3 million (19.5%) from fiscal year 2024. This increase is mainly due to favorable investment conditions resulting in an increase of \$1.8 million.

Grants to local governments increased by \$12.9 million (170.9%). This result was driven by an increase in project reimbursement requests.

Federal grant revenue for the year, driven largely by requisitions for reimbursement for construction projects, increased \$21.2 million (161.9%).

See the Condensed Statement of Revenues, Expenses and Changes in Net Position for the DWSRLF on the following page.

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Condensed Statement of Revenue, Expenses and Changes in Net Position – DWSRLF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Operating Revenue				
Interest on loans	\$ 855,478	\$ 1,297,222	\$ (441,744)	-34.1%
Administrative fees revenue	193,543	227,821	(34,278)	-15.0%
Interest on investments	6,925,525	5,147,486	1,778,039	34.5%
Total Operating Revenues	7,974,546	6,672,529	1,302,017	19.5%
Operating Expenses				
Salaries and benefits	992,339	866,293	126,046	14.6%
Professional services	428,469	422,183	6,286	1.5%
Other operating costs	174,048	168,961	5,087	3.0%
Total Operating Expenses	1,594,856	1,457,437	137,419	9.4%
Net Operating Gain	6,379,690	5,215,092	1,164,598	22.3%
Non-operating Revenue (Expenses)				
Federal grant revenue	34,281,475	13,091,210	21,190,265	161.9%
Grants to local governments	(20,503,242)	(7,568,768)	(12,934,474)	-170.9%
Transfers to the State of New Mexico	4,977,804	3,275,163	1,702,641	52.0%
Net Non-Operating Revenue	18,756,037	8,797,605	9,958,432	113.2%
Increase in Net Position	25,135,727	14,012,697	11,123,030	79.4%
Net Position, Beginning of Period	212,297,672	198,284,975	14,012,697	7.1%
Net Position, End of Period	\$ 237,433,399	\$ 212,297,672	\$ 25,135,727.00	11.8%

The cash flows for the DWSRLF reflect the Federal program restrictions, with outflows closely matching inflows, except for transactions that occurred at the end of the fiscal year. Operating expenses are reimbursed to the NMFA Operating Fund from cash received for administrative and cost of issuance fees and interest earned on investments. During fiscal year 2025, all disbursements to borrowers for their construction projects, which equal the grant and loan principal, were made from cash requisitioned and received from the EPA and the State's match, which is transferred into the fund at the start of the fiscal year from the PPRF. Financing activities provided \$17.0 million due to the \$34.3 million in grant revenue less \$20.5 million in grant expense and an increase in other liabilities.

See the Condensed Statements of Cash Flows for the DWSRLF on the following page.

NEW MEXICO FINANCE AUTHORITY
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Condensed Statements of Cash Flows – DWSRLF

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Net cash (used in) provided by operating activities	\$ (6,447,160)	\$ 14,152,904	\$ (20,600,064)	-145.6%
Net cash provided by non-capital financing activities	17,038,207	8,736,990	8,301,217	95.0%
Net cash (used in) investing activities	(39,566,485)	(21,203,174)	(18,363,311)	-86.6%
Net (decrease) increase in cash and cash equivalents	(28,975,438)	1,686,720	(30,662,158)	-1817.9%
Cash and cash equivalents, beginning of year	68,659,151	66,972,431	1,686,720	2.5%
Cash and cash equivalents, end of year	<u>\$ 39,683,713</u>	<u>\$ 68,659,151</u>	<u>\$ (28,975,438)</u>	<u>-42.2%</u>

NMFA Operating Fund

The NMFA Operating Fund (Operating Fund) is an internal fund that serves as a repository for the unrestricted cash and capital assets owned by NMFA and as a clearinghouse and bank for payables and receivables due between the program funds.

Because of the legal and policy restrictions on the cash and receivables within each fund, none of the program funds can serve as a general fund to the others. Only unrestricted cash can be used to finance the operations of a cash-strapped program. The Operating Fund was set up to provide for this liquidity through a cash balance maintained in this fund.

The total fund balance (net position) in the Operating Fund at the end of fiscal year 2025 was \$30.1 million, of which \$5.5 million was unrestricted cash and \$13.8 million was unrestricted investments. Due from other funds decreased by \$2.0 million (26.9%) from fiscal year 2024, as Senior Accountants transfer funds as a function of their monthly closing activities. Total owed to the Operating Fund at fiscal year-end was \$5.4 million, with the biggest debtor fund, the Colonias Infrastructure Fund (CIF), responsible for a third of this amount (\$2.8 million). Restricted cash decreased \$8.1 million (59.7%) primarily used in the funding of the new NMFA office building and startup costs for newly implemented programs.

See the Condensed Statements of Net Position for the Operating Fund on the following page.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Condensed Statements of Net Position – Operating Fund

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Assets				
Cash and cash equivalents				
Unrestricted Cash	\$ 5,468,794	\$ 13,565,406	\$ (8,096,612)	-59.7%
Restricted Cash	808,904	6,380	802,524	12578.7%
Unrestricted investments	13,778,056	12,902,292	875,764	6.8%
Due from other funds	5,354,876	7,326,987	(1,972,111)	-26.9%
Other Receivables	2,763,506	3,502,706	(739,200)	-21.1%
Capital Assets, net of accumulated depreciation	16,067,634	8,344,148	7,723,486	92.6%
Total Assets	44,241,770	45,647,919	(1,406,149)	-3.1%
Liabilities				
Accounts payable, accrued payroll and compensated absences	2,544,987	2,180,930	364,057	16.7%
Lease and SBITA liabilities	158,725	544,502	(385,777)	-70.8%
Other liabilities	11,461,190	11,392,770	68,420	0.6%
Total Liabilities	14,164,902	14,118,202	46,700	0.3%
Net Position				
Net investment in capital assets	15,908,909	7,799,646	8,109,263	104.0%
Restricted for program commitments	(5,297,410)	6,713,684	(12,011,094)	-178.9%
Unrestricted	19,465,369	17,016,387	2,448,982	14.4%
Total Net Position	\$ 30,076,868	\$ 31,529,717	\$ (1,452,849)	-4.6%

Expenditures exceeded revenues by \$1.5 million, a decrease of \$0.9 million (180.7%) from last year when expenses exceeded revenues by \$0.5 million. The decrease is driven by transfers to the State of \$0.4 million, administrative fees of \$0.9 million offset by an increase in Interest on investments of \$0.2 million, increase in Personnel expense of \$1.0 million and decrease in Other operating costs of \$0.8 million.

See the Condensed Statement of Revenues, Expenses and Changes in Net Position on the following page.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Condensed Statement of Revenue, Expenses and Changes in Net Position – Operating Fund

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Operating Revenue				
Administrative fees revenue	\$ 385,639	\$ 1,255,064	\$ (869,425)	-69.3%
Interest on investments	<u>1,089,965</u>	<u>865,924</u>	<u>224,041</u>	<u>25.9%</u>
Total Operating Revenues	<u>1,475,604</u>	<u>2,120,988</u>	<u>(645,384)</u>	<u>-30.4%</u>
Operating Expenses				
Salaries and benefits	1,211,251	234,714	976,537	416.1%
Professional services	107,123	148,531	(41,408)	-27.9%
Other operating costs	(73,742)	767,362	(841,104)	-109.6%
Interest expense	7,192	25,432	(18,240)	-71.7%
Depreciation expense	<u>949,267</u>	<u>1,163,607</u>	<u>(214,340)</u>	<u>-18.4%</u>
Total Operating Expenses	<u>2,201,091</u>	<u>2,339,646</u>	<u>(138,555)</u>	<u>-5.9%</u>
Net Operating Loss	<u>(725,487)</u>	<u>(218,658)</u>	<u>(506,829)</u>	<u>-231.8%</u>
Non-operating Revenue (Expenses)				
Transfers to State	<u>(727,362)</u>	<u>(298,954)</u>	<u>(428,408)</u>	<u>-143.3%</u>
Net Non-Operating Revenue	<u>(727,362)</u>	<u>(298,954)</u>	<u>(428,408)</u>	<u>-143.3%</u>
Increase (Decrease) in Net Position	<u>(1,452,849)</u>	<u>(517,612)</u>	<u>(935,237)</u>	<u>-180.7%</u>
Net Position, Beginning of Period	<u>31,529,717</u>	<u>32,047,329</u>	<u>(517,612)</u>	<u>-1.6%</u>
Net Position, End of Period	<u>\$ 30,076,868</u>	<u>\$ 31,529,717</u>	<u>\$ (1,452,849)</u>	<u>-4.6%</u>

The Operating Fund saw a net outflow of \$7.3 million at year-end. The net combined outflows used in operating activities and capital financing activities of \$28.7 million exceeded the net combined inflows provided by non-capital financing activities and investing activities of \$21.4 million. A surplus between operating expenses versus revenues of \$19.7 million in operating activities and \$9.1 million in capital assets exceeded the inflow of \$21.2 million generated by non-capital financing activities and the net cash provided by \$0.2 million in investments. This reduction of noncapital financing of \$9.4 million from last year was driven by reimbursements from other programs paid to the Operating Fund.

See the Condensed Statements of Cash Flows on the following page.

NEW MEXICO FINANCE AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Condensed Statements of Cash Flows – Operating Fund

	2025	2024	Net Increase / (Decrease)	Percentage Increase / (Decrease)
Net cash (used in) operating activities	\$ (19,650,694)	\$ (16,615,152)	\$ (3,035,542)	-18.3%
Net cash provided by non-capital financing activities	21,200,935	30,593,758	(9,392,823)	-30.7%
Net cash provided by (used in) investing activities	214,201	(6,263,674)	6,477,875	103.4%
Net cash (used in) capital financing activities	(9,058,530)	(3,845,719)	(5,212,811)	-135.5%
Net (decrease) increase in cash and cash equivalents	(7,294,088)	3,869,213	(11,163,301)	-288.5%
Cash and cash equivalents, beginning of year	13,571,786	9,702,573	3,869,213	39.9%
Cash and cash equivalents, end of year	\$ 6,277,698	\$ 13,571,786	\$ (7,294,088)	-53.7%

Capital Asset Activity

NMFA acquired capital assets during the fiscal year to support the construction costs of the NMFA headquarters, improving technology, and utilizing new hardware to replace older, outdated products. The cost of new technology hardware and software was \$170,447. Construction costs include payments to the General Contractor, architectural oversight and design consulting for the building renovation of \$8,366,102 and recognition of SBITA right to use asset as mandated by GASB 96.

More detailed information about capital assets is presented in Note 5 to the Financial Statements.

Contacting NMFA’s Financial Management

This financial report is designed to provide citizens, taxpayers, customers, legislators, investors and creditors with a general overview of NMFA’s finances and to demonstrate NMFA’s accountability for the money it receives.

Substantial additional information is available on NMFA’s website at www.nmfinance.com, on NMFA’s PPRF investor relations website at www.nmbondfinance.com and on NMFA’s NMDOT investor relations website at www.nmdotbonds.com. If you have any questions about this report or need additional financial information, contact:

New Mexico Finance Authority (NMFA)
810 W San Mateo Rd
Santa Fe, New Mexico 87505

FINANCIAL STATEMENTS

NEW MEXICO FINANCE AUTHORITY
Statement of Net Position
June 30, 2025

Assets

Current Assets

Cash and cash equivalents		
Unrestricted cash	\$	5,468,794
Restricted cash		362,254,831
Interest receivable on loans		13,428,391
Grants and other receivables		13,432,424
Administrative fees receivable		1,066,576
Loans receivable, current		<u>236,086,834</u>
Total Current Assets		<u>631,737,850</u>

Non-current assets

Unrestricted investments		13,778,056
Restricted investments		1,009,250,401
Limited partnership investment		8,328,581
Loans receivable		1,856,872,288
Allowance for bad debt		(71,784,995)
Capital assets, net of accumulated depreciation and amortization		<u>16,067,634</u>
Total Non-current Assets		<u>2,832,511,965</u>
Total Assets		<u>3,464,249,815</u>

Deferred Outflows of Resources

Deferred loss on refunding, non-capital assets		443,554
Total Deferred Outflows of Resources		<u>443,554</u>

Liabilities

Current Liabilities

Undisbursed loan proceeds		449,091,474
Bonds payable, current		142,685,000
Advanced loan payments		113,426,277
Payable to State Investment Council, current		44,372,520
Bond interest payable		4,938,078
Compensated absences		1,721,755
Accounts payable		591,071
Accrued payroll		234,797
Lease and SBITA liabilities		47,172
Other liabilities		<u>2,798,553</u>
Total Current Liabilities		<u>759,906,697</u>

Non-Current Liabilities

Bonds payable		1,442,408,562
Payable to State Investment Council		50,917,885
Lease liabilities		<u>111,553</u>
Total Non-Current Liabilities		<u>1,493,438,000</u>
Total Liabilities		<u>2,253,344,697</u>

Deferred Inflows of Resources

Deferred gain on refunding, non-capital assets		828,220
Deferred Inflows of Resources		<u>828,220</u>

Net Position

Net investment in capital assets		15,908,909
Restricted for program commitments		1,174,462,528
Unrestricted		<u>20,149,015</u>
Total Net Position	\$	<u>1,210,520,452</u>

The accompanying Notes are an integral part of these Financial Statements

NEW MEXICO FINANCE AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended June 30, 2025

Operating Revenue

Interest on loans	\$	58,761,213
Administrative fee revenue		4,245,723
Interest on investments		37,619,217
Unrealized gain		4,529,333
Total Operating Revenues		105,155,486

Operating Expenses

Bond interest expense		65,867,096
Amortization of bond premium/discount and flows of resources		(20,080,871)
Personnel expense		12,685,014
Loan financing pass-through		7,788,202
Contractual services expense		5,474,497
Operating expense		2,194,099
Interest expense		1,716,691
Bond issuance costs		1,411,717
Limited partnership loss		1,103,544
Depreciation and amortization expense		949,267
Provision (reversal)for loan losses		(939,755)
Total Operating Expenses		78,169,501
Net Operating Gain		26,985,985

Non-operating Revenue (Expenses)

Appropriation revenue		129,452,422
Transfers from the State		109,972,409
Federal grant revenue		34,281,475
Grant expense		(120,203,834)
Transfers to the State and reversions		(5,911,715)
Net Non-operating Revenue		147,590,757
Increase in Net Position		174,576,742
Net Position, Beginning of Period		1,035,943,710
Net Position, End of Period	\$	1,210,520,452

The accompanying Notes are an integral part of these Financial Statements

NEW MEXICO FINANCE AUTHORITY
Statement of Cash Flows
Fiscal Year Ended June 30, 2025

Cash flows from operating activities	
Cash paid for employee services	\$ (11,957,328)
Cash paid to vendors for services	(12,305,756)
Loan payments received	217,633,228
Loans funded	(251,713,580)
Cash provided by undisbursed loans and advanced loan payments	43,462,826
Interest on loans, net of interest expense	59,384,024
Administrative fees received	(7,247,177)
Net cash provided by operating activities	<u>37,256,237</u>
Cash flows from non-capital financing activities	
Reversions	(280,954)
Appropriations received from the State of New Mexico	129,452,422
Cash transfers from the State of New Mexico	109,972,409
Cash received from federal government capitalization grant	34,314,801
Cash transfers to the State of New Mexico	(6,317,541)
Grants expense	(120,203,834)
Proceeds from the sale of bonds	182,671,386
Payment of bonds	(169,870,000)
Bond issuance costs	(1,411,717)
Bond interest expense paid	(65,523,699)
Bond premium/discount and deferred flow of resources	19,555,622
Loan financing pass-through to borrower	(7,788,202)
Net cash provided by non-capital financing activities	<u>104,570,693</u>
Cash flows from investing activities	
Investment purchases/sales	(257,956,500)
Interest received on investments	42,068,526
Investment in and distributions from limited partnerships	(7,681,289)
Net cash used in investing activities	<u>(223,569,263)</u>
Cash flows from capital financing activities	
Capital assets	(9,058,530)
Net cash used in capital financing activities	<u>(9,058,530)</u>
Net decrease in cash and cash equivalents	(90,800,863)
Cash and cash equivalents, beginning of year	458,524,488
Cash and cash equivalents, end of year	<u>\$ 367,723,625</u>

The accompanying Notes are an integral part of these Financial Statements

NEW MEXICO FINANCE AUTHORITY
Statement of Cash Flows, Continued
Fiscal Year Ended June 30, 2025

Schedule of non-cash financing and investing activities

Initiation of equipment lease	\$	199,994
Share of loss in limited partnerships		(1,127,563)
Market adjustment in limited partnerships		24,019
Unrealized gain on bank investments		4,529,333
Amortization of bond premium and discount		20,080,871
Amortization of deferred inflow of resources		50,022
Amortization of deferred outflow of resources		(575,271)
Total non-cash financing and investing activities	\$	<u>23,181,405</u>

Reconciliation of cash and cash equivalents

Unrestricted cash	\$	5,468,794
Restricted cash		362,254,831
Total cash and cash equivalents	\$	<u>367,723,625</u>

Reconciliation of net operating loss to net cash used in operating activities

Net operating gain	\$	26,985,985
Adjustments to change in net position		
Depreciation		949,267
Amortization of premium, discount, and flow of resources		(20,606,120)
Provision for loan losses		(939,756)
Interest on investments		(42,148,550)
Bond interest paid		66,392,345
Loan financing pass-through to borrowers		7,788,202
Bond issuance costs		1,411,717
Investment in and distributions from limited partnerships		1,154,099
Interest expense		72,832
Changes in assets and liabilities		
Interest receivable		(457,160)
Grants, prepaids and other assets		(10,271,794)
Administrative fees receivable		(286,984)
Loans receivable, net of allowance		(34,085,386)
Accounts payable		(360,993)
Accrued payroll		5,979
Accrued compensated absences		721,707
Undisbursed loan proceeds		31,316,931
Advanced loan payments		12,145,895
Other liabilities		(2,531,979)
Net cash provided by operating activities	\$	<u>37,256,237</u>

The accompanying Notes are an integral part of these Financial Statements

NEW MEXICO FINANCE AUTHORITY
Custodial Fund – Statement of Fiduciary Net Position
June 30, 2025

Assets

Cash and cash equivalents	<u>\$ 190,099,653</u>
Total Assets	<u><u>190,099,653</u></u>

Liabilities

Debt service payable	<u>3,304,791</u>
Total Liabilities	<u><u>3,304,791</u></u>

Net Position

Restricted for other government	<u>186,794,862</u>
Total Net Position	<u><u>\$ 186,794,862</u></u>

The accompanying Notes are an integral part of these Financial Statements

NEW MEXICO FINANCE AUTHORITY
Custodial Fund – Statement of Changes in Fiduciary Net Position
Fiscal Year Ended June 30, 2025

Additions		
Debt service collections	\$	234,803,508
Interest income		12,972,310
	Total Additions	<u>247,775,818</u>
 Deductions		
Debt service payments		236,267,910
Project expenditures		19,932,081
	Total Deductions	<u>256,199,991</u>
 Total Decrease		 8,424,173
less Debt Service Payable Increase		<u>2,544,252</u>
	Decrease in fiduciary net position	<u>10,968,425</u>
 Net Position		
Net position-beginning of year		<u>197,763,287</u>
	Net position-end of year	<u><u>\$ 186,794,862</u></u>

The accompanying Notes are an integral part of these Financial Statements

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1) Nature of Organization

The New Mexico Finance Authority (NMFA), a component unit of the State of New Mexico (State), is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, organized and existing pursuant to the New Mexico Finance Authority Act (the Act) and supplemented by the Statewide Economic Development Finance Act (SWEDFA). NMFA has broad powers to provide financing for an array of infrastructure and economic development projects. The Act also 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.

NMFA's governing Board of Directors (Board) is composed of 11 members. Ex officio members include the Secretary of the Department of Finance and Administration; Secretary of the Economic Development Department; Secretary of the Energy, Minerals and Natural Resources Department; Secretary of the Environment Department; Executive Director of the New Mexico Municipal League; and the Executive Director of New Mexico Counties. The Governor, with the advice and consent of the Senate, appoints the remaining members, including the Chair and a member who must be the Chief Financial Officer of a New Mexico institution of higher education. The appointed members serve at the pleasure of the Governor.

NMFA issues loans to qualified entities pursuant to the rules and regulations governing the Public Project Revolving Fund (PPRF). The PPRF provides low-cost financing to qualified government entities for a variety of qualified projects throughout the state. The PPRF Program receives 75% of the GGRT collected by the State pursuant to Section 7-1-6.38 NMSA 1978. NMFA may issue bonds in amounts deemed necessary to provide sufficient money for the purposes set forth by the Act. Bonds are issued under a Master Indenture as well as individual Series Indentures, which are administered through a trust relationship established by contract with a trust company or bank bearing trust powers (Trustee) and NMFA.

NMFA serves as conduit issuer of revenue bonds for other governmental agencies and Private Activity Bonds (PAB).

NMFA was authorized in 2003 to issue bonds as agent for the New Mexico Department of Transportation (NMDOT). \$498.0 million of such bonds were outstanding on June 30, 2025. Debt service for the bonds is payable solely from certain revenues of NMDOT. In the opinion of legal counsel, there is no claim that could be asserted against NMFA's assets for payment of debt service on the NMDOT bonds; therefore, these bonds are not reflected in NMFA's financial statements. NMFA receives a biannual fee from NMDOT equal to its overhead costs for management of the bond issues. The fee is recognized on a cost reimbursement basis.

On December 2024, NMFA issued one private activity bond in the amount of \$56.7 million which was called on April 2025.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NMFA manages the Drinking Water State Revolving Loan Fund (DWSRLF) and the Water Project Fund (WPF).

The DWSRLF provides low-cost financing for the construction of and improvements to drinking water facilities throughout New Mexico to protect drinking water quality and public health. This program is primarily funded through federal capitalization grants from the Environmental Protection Agency (EPA) and the State of New Mexico's matching contribution of 20.0%.

The WPF program provides grants and interest-free loans to water projects supporting water use efficiency, resource conservation and protection, and fair distribution and allocation of water. In the accompanying statements, the receipt of funds for the WPF program is reflected as Transfers from the State in the amount of \$75,429,010 for the year ended June 30, 2025.

Other significant programs and financing administered by NMFA include:

- ◆ The Behavioral Health Capital Fund (BHCF) is a revolving loan program that provides low-interest rate loans to government owned and non-profit behavioral health providers for infrastructure, construction, capital equipment purchases, and for working capital. These loans can provide up to 20% annual loan forgiveness should the borrower meet certain requirements in providing free or reduced-cost medical care to sick and indigent clients.
- ◆ The Microbusiness Program (CMP) was created by NMFA as a pilot program in fiscal year 2022 after the State law legalized the sale of recreational cannabis effective April 1, 2022. The program was capitalized by \$5.0 million transferred from the ending fund balance of the Essential Services Working Capital Fund (ESWCF). It offered 2% or 3% interest loans of up to \$250,000 to small businesses entering this new industry. All loans were collateralized and/or guaranteed by the borrower for a term of up to 5 years. NMFA stopped accepting new applications on May 9, 2023.
- ◆ The Charter School Facility Revolving Fund (CSFRF) was created by the Legislature in 2022, effective July 1, 2022. It was capitalized by a state appropriation of \$10.0 million. During fiscal year 2025 CSFRF opened application rounds offering low interest lease purchase agreements to charter schools.
- ◆ The Child Care Facility Revolving Loan Act as amended on March 21, 2025, provides low interest, long-term loans to providers to make health and safety improvements in their facilities, expand their facilities, and for operating capital. It was capitalized by a state appropriation of \$1.8 million and transfer of \$1.1 million from the NMFA operating fund.
- ◆ The Colonias Infrastructure Fund (CIF) consists, of proceeds from severance tax bonds authorized in Section 7-27-12.5 NMSA 1978. It provides loans and grants to certain communities located within 150 miles of the Mexican border in southern New Mexico that lack basic infrastructure for water and wastewater, solid waste disposal, flood and

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

drainage control, and roads. In the accompanying statements, the receipt of funds for the CIF is reflected as Transfers from the State in the amount of \$34,570,440 for the year ended June 30, 2025.

- ◆ The Early Childhood Education and Care Department Child Care Supply Building Grant Program (ECECDB) was executed by NMFA on behalf of ECECD through a memorandum of understanding effective July 28, 2022. Its purpose was to disburse grants to existing licensed or registered childcare providers and employers that intend to create or expand childcare for their employees in New Mexico designated by ECECD with NMFA serving as its agent. ECECD transferred \$13.9 million in federal government under the American Rescue Plan Act to fund this activity, including the reimbursement of costs by NMFA. NMFA has funded all grants under this program.
- ◆ The Energy Efficiency Revolving Loan Fund (EERLF) is administered by NMFA through a memorandum of agreement dated February 3, 2025, with the New Mexico Energy Minerals and Natural Resources Division (EMNRD). EMNRD received \$5.1 million from the U.S. Department of Energy, which was then transferred to NMFA, to create a loan program to offer low-cost loans to eligible entities which include private nonprofit and for-profit New Mexico businesses with buildings that are used for a public or community benefit for energy efficiency upgrades.
- ◆ The Essential Services Working Capital Fund (ESWCF) was established as a stand-alone economic development program in fiscal year 2022. It is an emergency working capital program established by the NMFA Board in April 2020 to help community service providers and other essential businesses operating during the emergency health order. ESWCF had outstanding loan receivables of \$0.2 million on June 30, 2025.
- ◆ Local Economic Development Act Recovery Grant Program (LEDA) was created when the Legislature amended the Local Economic Development Act in April 2021 to mandate that NMFA administer a \$200.0 million grant program to assist qualifying small businesses struggling with lease and mortgage payments on account of the health emergency. This program closed for new applications on December 31, 2021, but continued disbursing subsequent grants into fiscal year 2024 to recipients whose applications were approved until then. As of June 30, 2025, LEDA has been officially liquidated, and the remaining assets returned to NMEDD.
- ◆ The Local Government Planning Fund Program (LGPF) provides grants to qualified local government entities on a per-project basis for infrastructure planning projects.
- ◆ The Local Solar Access Fund (LSAF), formed during fiscal year 2025, is a grant fund which will issue both planning and implementation grants for solar and storage projects to power public buildings and infrastructure utilities.
- ◆ The New Markets Tax Credits Program (NMTC), whereby NMFA is the managing member in Finance New Mexico, LLC (FNMLLC), a subsidiary for-profit company that has received \$346.0 million in total allocations of federal tax credits under the NMTC Program.
- ◆ The New Mexico Growth Fund (NMGF) has a signed (June 2023) Memorandum of Agreement with the New Mexico Economic Development Department (NMEDD) to

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

partner on the administration of the State Small Business Credit Initiative (SSBCI) in New Mexico. SSBCI is a federally funded program operated by the U.S. Department of Treasury seeking to increase access to capital to small businesses and entrepreneurs. NMGF currently offers equity investments to qualified businesses. \$1.3 million was invested in limited partnerships during fiscal year 2025.

- ◆ During fiscal year 2025, a portion of the SSBCI funds were designated to the Capital Access Program (SSBCI CAP) and the Loan Participation Program (SSBCI LPP). The SSBCI LPP will provide credit support through the purchase of a loan made by a lender or through a separate loan made alongside a lender. The SSBCI CAP will provide portfolio insurance in the form of a loan loss reserve fund. As of June 30, 2025, these programs are in the process of accepting applications.
- ◆ The Opportunity Enterprise Revolving Fund (OERF) was created by the Legislature in 2022, effective July 1, 2022. It was capitalized by a State appropriation of \$70.0 million in fiscal year 2023, and \$50.0 million in fiscal year 2024, to support commercial real estate economic development in New Mexico. Additionally, appropriations of \$125.0 million were received in fiscal year 2024 for housing economic development (HDRF). The commercial program opened for applications in fiscal year 2024. Projects selected by the Opportunity Enterprises Review Board, the advisory board appointed by the Opportunity Enterprise Act, will be considered for low interest loans to commercial real estate development, and housing, ventures in New Mexico.
- ◆ The Primary Care Capital Fund (PCCF) is a revolving loan program that provides low-interest rate loans to non-profit and government-owned primary care health clinics for infrastructure, construction, capital equipment purchases and for working capital. These loans can provide up to 20% annual loan forgiveness should the borrower meet certain requirements in providing free or reduced-cost medical care to sick and indigent clients.
- ◆ Small Business Recovery Loan Fund (SBRLF) was passed in a special session called by the Governor in June 2020 and expanded during the 2021 regular session. It appropriated up to \$500.0 million for loans to be made by NMFA to qualifying New Mexico small businesses and non-profits affected by the health emergency. The program has closed the application process, funded all approved loans, and has contracted with an outside vendor which services the remaining loans.
- ◆ The Economic Development Revolving Fund is comprised of Smart Money (SM), which is a loan participation program that allows NMFA to buy interests in loans made by New Mexico banks and financial institutions.
- ◆ Through a Memorandum of Agreement with NMEDD in 2011, NMFA received federal SSBCI funds to help increase the flow of capital to small businesses by mitigating bank risk. NMFA used the funds to buy loan participations from banks for economic development projects under a program marketed as the Collateral Support Participation Program. NMFA has collected all outstanding loan and interest payments, made all required payments to NMEDD, and closed the program in fiscal year 2025.
- ◆ The Venture Capital Program (VCP) was created by the Legislature in 2022, effective July 1, 2022. It was capitalized by a State appropriation of \$35.0 million to promote

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

economic growth in New Mexico. An additional \$15.0 million was approved in fiscal year 2023. The program offers equity investments to established businesses with significant growth potential in the state. \$6.3 million was invested in limited partnerships during fiscal year 2025.

NMFA is not subject to the supervision or control of any other board, bureau, department or agency of the State, except as specifically provided in the Act. Bonds and other obligations issued by NMFA under the provisions of the Act are not a debt or liability of the State or any subdivision thereof. The NMFA Oversight Committee was created by the Act, and its membership is appointed by the Legislative Council to provide legislative oversight.

NMFA's blended component unit note disclosures over significant account balances are located on page 61 and page 75 of the ACFR. The paragraph and table indicated FNM or FNMLLC to clearly distinguish them from the general government's note disclosures. The financial statements include the accounts of NMFA and its blended component unit, FNMLLC. All inter-company transactions and balances are eliminated. The condensed financial statements of FNMLLC are disclosed in Note 13.

2) Summary of Significant Accounting Policies

Accounting Principles

The financial statements of NMFA have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and funds. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

Basis of Presentation

The financial statements of NMFA, including both enterprise and fiduciary funds, have been prepared using the economic resources measurement focus and the accrual basis of accounting. All NMFA's activities, except those in which NMFA acts as an agent, are reported as an enterprise fund.

NMFA distinguishes operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing financial services in connection with ongoing operations. Primary operating revenues include financing income and fees charged to program borrowers. Operating expenses include interest expense and program support, as well as funds granted to others in the form of loan forgiveness and other subsidies to governmental entities.

Non-operating items consist of State appropriations for GGRT revenue and statute-directed Water Trust Fund distributions. Grant revenue and transfers to and from the State consist of excess distributions and reversions of prior-year appropriated revenue.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. When restricted resources meet the criteria to be available for use and unrestricted resources are also available, NMFA uses restricted resources first. Expenses are recorded when they are incurred. Expenses charged to federal programs are recorded utilizing the cost principles prescribed or permitted by the various funding sources.

New Accounting Pronouncements

GASB Statement No.101 “Compensated Absences” - NMFA adopted in fiscal year 2025 the Statement which is effective for fiscal years beginning after December 15, 2023. The Statement provides guidance on calculating compensated absences. The resulting effect on the fiscal year 2025 beginning Net Position is a decrease of \$0.4 million. NMFA has not restated June 30, 2024, balances due to immateriality. The impact implementation of GASB 101 is comprised of Compensation Time, Employer Payroll Taxes, Retirement and Employer Benefit expense.

GASB Statement No. 102 “Certain Risk Disclosures” - NMFA adopted in fiscal year 2025 the Statement which is effective for fiscal years beginning after June 15, 2024. The objective of the statement is to provide users of the financial statements with essential information about the risks related to vulnerabilities due to certain concentrations or constraints. NMFA did not have significant risks or vulnerabilities in fiscal year 2025.

GASB Statement No. 103 “Financial Reporting Model Improvements” - NMFA has deferred implementation until fiscal year 2026. This Statement is to improve key components of the financial reporting model and to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. Management is currently evaluating the financial statement impact of the adoption of this Statement.

GASB Statement No. 104 “Disclosure of Certain Capital Assets” - NMFA will adopt for fiscal year 2026. The Statement is effective for fiscal years beginning after June 15, 2025. This statement requires certain types of capital assets to be disclosed separately in the capital assets note and requires disclosures for capital assets held for sale. Management is currently evaluating the financial statement impact of the adoption of this Statement.

NMFA applied the applicable sections of GASB Implementation Guide No. 2025 "Implementation Guidance Update-2025".

Custodial Funds

Custodial Funds are used to report resources held by NMFA in a custodial capacity and are subject to GASB Statement No. 91 - *Conduit Debt Obligations*. These funds result from bond transactions in which NMFA acts as fiscal agent for the New Mexico Department of Transportation (NMDOT). The amounts reported as custodial funds do not belong to NMFA; they are held in separate accounts on NMFA’s books in the name of NMDOT and are not

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

included in NMFA's financial statements. Total bonds outstanding totaled \$498.0 million and cash of \$190.1 million held in trust for benefit of NMDOT. NMFA did not hold any funds for the Private Activity Bonds.

See pages 47 and 48 for Custodial Funds detail.

Cash, Cash Equivalents and Investments

NMFA considers all highly liquid financial instruments with a maturity of 90 days or less to be cash equivalents. Cash and cash equivalents consist of cash on deposit with Wells Fargo Bank and the Bank of Albuquerque, which also acts as NMFA's bond trustee. Certain proceeds of NMFA's bonds, as well as certain resources set aside for their repayment, are invested in certain permitted securities.

NMFA is subject to GASB No. 72, *Fair Value Measurement and Application*. Fair value is the amount that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement provides guidance for determining a fair value measurement for financial reporting purposes. The statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Restricted vs. Unrestricted Cash

If it is obligated contractually, statutorily or by an official vote of the Board to a specific purpose or program, cash is presented as restricted. Otherwise, it is presented as unrestricted cash and held in the Operating Fund.

Current Receivables

Current receivables comprise interest receivable, administrative fees receivable, grants and other receivables arising from the normal course of operations.

Loans Receivable

Loans are carried at amounts advanced, net of collections and reserves for loan losses, if any. Loans that become past-due as to principal and interest are evaluated for collectability. Generally, loans are not placed on nonaccrual status if they are sufficiently insured, guaranteed, or collateralized.

The allowance for loan losses is maintained to cover possible losses inherent in the loan portfolio based on management's evaluation of the loan portfolio, giving consideration to various factors, including collateral value, past loan loss experience, current facts and economic conditions. The allowance is based on management's estimates, and ultimate losses may vary from the current estimates. These estimates are reviewed periodically, and any necessary adjustments are reported as a reduction in the period they become known. NMFA recognizes loan losses on the SBRLF investment as a reduction to the SIC payable.

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State Loans Receivable

State loans receivable consist of amounts due from the State based on legislated appropriations of specified taxes for repayment of certain bonds issued by NMFA on behalf of State entities. The related statutes direct NMFA to issue bonds and make proceeds available to specified State entities to fund various projects. The statutes appropriate a portion of pledged future taxes or fees to fund the payment of the related bonds. No allowance has been established, as all such receivables are considered reliably collectable.

Limited Partnership Investments

The limited partnership investments, which are managed by third party investment managers, are valued on a quarterly and/or annual basis at their net asset value as reported by the investment managers under US GAAP. US GAAP requires that assets be reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Additions, improvements, and other capital outlays individually exceeding \$5,000 that significantly extend the useful life of an asset are capitalized at acquisition value.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used, based on estimated useful lives ranging from three to seven years.

In fiscal year 2023, NMFA acquired a building and began design renovations. Construction activities began in second quarter of fiscal year 2024. All costs will be capitalized, and depreciation will begin upon occupancy of the building utilizing the life expectancy recommended by GASB Statement NO. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, ranging from 5 to 40 years.

Deferred Outflows/Inflows of Resources

The statement of net position, where applicable, includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will be recognized as revenues in future periods. Both Deferred Loss and Gain on refunding are for non-capital assets.

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Bond Discounts and Premiums

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Loan Financing Pass-Through

Loan financing pass-through expenses are bond premiums associated with certain loans passed through by NMFA to the respective borrowers. The refinanced loans were associated with certain bond premiums, which reduced the outstanding principal of the associated loans. The reductions represent a loan financing pass-through expense to NMFA. For fiscal year 2025, loan financing pass-through expenses were \$7,788,202.

Compensated Absences

Full-time employees with up to ten years of employment with NMFA are entitled to fifteen days of vacation leave each fiscal year. Employees with more than ten years of service receive twenty days per fiscal year. Employees are permitted to receive vacation leave and carry over unused balances each year, capped at 320 hours. When employees terminate, they are compensated at their current hourly rate for accumulated unpaid vacation leave.

Full-time employees are entitled to twelve days of sick leave each fiscal year. When employees terminate, they are compensated at twenty-five percent (25%) of their current hourly rate for accumulated unpaid sick leave, up to 320 hours. Compensation Time, Employer Payroll Taxes, Retirement and Employer Benefit expense are now included as a result of implementation of GASB 101. Part-time employees accrue vacation and sick leave on a prorated basis based on the number of hours they work. Accrued compensated absences are recorded and liquidated in the NMFA Operating Fund.

Undisbursed Loan Proceeds

Undisbursed loan proceeds represent loan amounts awaiting disbursement to loan recipients. Funds are not automatically disbursed in their entirety when a loan closes. Proceeds are disbursed as the related project costs are incurred. The balance in undisbursed loan proceeds is for loans in the PPRF program.

Advanced Loan Payments

Advanced loan payments represent the amounts received from loan recipients that have not been applied as a payment against their loan, as well as debt service reserve accounts funded from the loan proceeds. NMFA applies individual loan payments semi-annually. Any payments received prior to being applied to the loan are held in an account that earns interest, and the interest is credited to the borrower. PPRF and DWSRLF funds are held by the trustee. The balance of advanced loan payments was \$113,426,277 on June 30, 2025.

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Net Position

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is referred to as net position. Net position is categorized as net investment in capital assets (net of related debt), restricted or unrestricted based on the following:

Net investment in capital assets is intended to reflect the portion of net position associated with capital assets less outstanding capital asset related debt. The net of related debt is the debt less the outstanding liquid assets and any associated unamortized cost. The only debt associated with capital assets are lease and SBITA liabilities.

Restricted net position reflects the portion of net position with third-party (statutory, bond covenant or granting agency) limitations on their use. When there is an option, NMFA spends restricted resources first.

The following lists significant programs and the associated enabling statutes, bond covenants, and/or memorandums of understanding and memorandums of agreement:

PPRF	6-21-6 NMSA 1978; General, Subordinated and Junior Indentures of Trust; Rules adopted by NMFA Board and NMFA Oversight Committee
DWSRLF	6-21A-4 and 6-21-8 NMSA 1978; EPA Capitalization Grant Agreements
WPF	72-4A-9 NMSA 1978
NMTC	6-25-6.1 NMSA 1978; NMTC Allocation Agreement
ED	6-25-1 et. seq. NMSA 1978; Rules adopted by NMFA Board and NMFA Oversight Committee
PCCF	24-1C-4 NMSA 1978
BHCF	6-26-4 NMSA 1978
LGPF	6-21-6.4 NMSA 1978
CIF	6-30-8 NMSA 1978
SSBCI	6-25-1 et. seq. NMSA 1978; SSBCI Allocation Agreement
SSBCI 2.0	6-25-1 et. seq. NMSA 1978; SSBCI Allocation Agreement
SBRLF	6-32-3 NMSA 1978; Memorandum of Understanding with State Investment Council
LEDA	5-10-16 NMSA 1978
CMP	6-25-1 et. seq. NMSA 1978 (SWEDFA 6-25-3; Rules adopted by NMFA Board; Memorandum of Agreement with NM Regulation & Licensing Department
CSFRF	6-21-6.16 NMSA 1978
VCP	6-33-3 NMSA 1978
OERF	6-34-12 NMSA 1978; Rules adopted by NMFA Board and NMFA Oversight Committee
HDRF	6-34-13.3 NMSA 1978; Rules adopted by NMFA Board and NMFA Oversight Committee

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ECECDs	Memorandum of Agreement with Early Childhood education and Care Department (“ECECD”)
ECECDB	Memorandum of Agreement with ECECD
NMGf	Memorandum of Agreement with the NM Economic Development Department
CCFLA	24-24-1 NMSA 1978, Memorandum of Agreement with ECECD
EERLF	Memorandum of Agreement with Energy, Minerals, and Natural Resources Department, (“EMNRD”)
LSA	6-21-6.17 NMSA 1978, potential Memorandum of Agreement with EMNRD
PAB	Statewide Economic Development Finance Act (the “Act”), NMSA 1978 §6-25-1 through §6-25-29 (amended 2007).

Unrestricted net position represents the portion of net position not otherwise classified as invested in capital assets or restricted net position.

Income Taxes

NMFA is a tax-exempt, quasi-governmental organization under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements. NMFA is subject to other Internal Revenue Code sections relating to the tax-exempt status of the bonds issued by NMFA.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Budget

Although NMFA’s budget represents a financial plan, not a legal constraint, management constrains itself to the amounts approved by the NMFA Board for the main categories of the Operating Fund: Salaries and Benefits, Contractual Services, and Operations; therefore, budgetary comparison information is not presented in the financial statements or as required supplementary information.

3) Investments

NMFA follows GASB No. 40, *Deposit and Investment Risk Disclosures*. This statement requires the disclosure of applicable interest rate, credit, custodial credit, concentration of credit and foreign currency risks.

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NMFA's investments conform to the provisions of the Amended and Restated Investment Policy (Investment Policy) dated October 28, 2021, the provisions of the General Indenture of Trust and Subordinated Indenture of Trust applicable to NMFA's bond issuances, bond resolutions and other documents or agreements that control the investment of funds. This policy is reviewed annually by an NMFA external Investment Advisor and NMFA staff. If amended it goes through the Finance & Disclosure Committee with final approval by the Board.

Except where prohibited by statute, trust indenture, bond resolution or other controlling authority, NMFA consolidates cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income is allocated to the various funds based on their respective participation. The primary objectives of investment activity, in order of priority, shall be safety, liquidity and yield.

The Investment Policy provides investments are undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio while mitigating credit risk and interest rate risk.

Credit Risk

NMFA minimizes credit risk (the risk of loss due to the failure of securities issuer or backer) by limiting investments; prequalifying financial institutions, broker/dealers, intermediaries, and advisors with which NMFA does business; and diversifying the investment portfolio to minimize the impact of potential losses from any one type of security or from any one individual issuer.

FNMLLC cash balances are maintained in several accounts in several banks. At times, these balances may exceed the federal insurance limits; however, FNMLLC has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2025.

Interest Rate Risk

NMFA minimizes interest rate risk (the risk that the market value of securities in the portfolio will decline due to changes in market interest rates) by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations (thereby avoiding the need to sell securities in the open market prior to maturity) and by investing operating funds primarily in short-term securities, limiting the average maturity of the portfolio.

State General Fund Investment Pool

NMFA, as required by Section 24-1C-4 NMSA 1978, administers the PCCF, which was originally created as a revolving fund in the STO but through statutory amendments (SB 423), is now housed at the NMFA. Pursuant to SB423, NMFA transferred the majority of the funds

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from the STO to NMFA trustee controlled funds in fiscal year 2024, a nominal amount remains at STO in fiscal year 2025.

All other funds of NMFA, including PPRF funds that are subject to the General and Subordinated Indentures of Trust, are held with a Trustee and secured in accordance with NMFA’s Investment Policy.

Permitted Investments

As provided in Sections 6-21-6 and 6-21-5 of the Act, money pledged for or securing payment of bonds issued by NMFA is deposited and invested as provided in the bond resolution, trust indenture or other instrument under which the bonds were issued. The following table identifies the investment types permitted by the Investment Policy:

Description	Maximum Percentage of NMFA Funds ¹
Direct and general U.S. Government Obligations (Treasury Bills, Treasury Notes, Treasury Bonds)	100%
U.S. Government Agencies (any federal agency or instrumentality notes, bonds, debentures, with implicit guarantee of the United States of America)	75%
SEC-registered money market funds with total assets at time of deposit in excess of \$100,000,000 ²	100%
Certificates of deposits and bank deposits ³	20%
Commercial paper issued by corporations organized and operating on the United States and rated A1 P1 or equivalent by two or more rating services.	10%
Bonds or notes issued by any municipality, county or school district of the State	10%
Overnight repurchase agreements ⁴	25%
Fixed income mutual funds	10%
Investment contracts (guaranteed investment contracts (GIC’s) and flexible repurchase agreements) ¹	10%
State Treasurer’s Local Government Investment Pool	50%

¹ Limits do not apply to cash invested by trustee per bond indenture.

² Money markets must be rated AAA by Standard & Poor and be in compliance with the diversification, quality and maturity requirements 2a-7 of the U.S. Securities and Exchange Commission applicable to money markets with no sales load or deferred sales charge.

³ Interest bearing certificates of deposit or bank deposits must be in banks having a branch location in New Mexico, and all principal and interest must be fully insured by the Federal Deposit Insurance Corporation or secured by obligations described above, registered in the name of NMFA and held by a third party safe-keeping agent, or collateralized as required by 6-10-16 NMSA 1978 at 102% of the value of the deposit that is not FDIC insured.

⁴ Investment contracts and repurchase agreement investments must be fully secured by obligations described above, with all collateral held by an independent third party safe-keeping agent.

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Investment of Bond Proceeds

All or any portion of the proceeds of bonds or other obligations of NMFA may be invested in a guaranteed investment contract (GIC) or flexible repurchase agreement without regard to the investment allocation constraints set forth in the Investment Policy, if the GIC or repurchase agreement provides for disbursement upon request of NMFA in amounts necessary to meet expense requirements for the bonds or other obligations.

Cash and equivalents at June 30, 2025 are as follows:

Description	Balance at June 30, 2025	Interest Bearing	Rated	Percentage of NMFA	
				Funds	New Mexico Public Money Act
Bank Deposits	\$ 1,238,314	No	N/A	<1%	Not subject to Pledged Collateral
FNMLLC Cash equivalents	11,847,323	Yes	N/A	1%	Not subject to Pledged Collateral
Wells Fargo Deposit account book balance	81,268	No	N/A	<1%	Subject to Pledged Collateral (page 86)
Wells Fargo Repurchase agreement - fully secured ²	1,420,067	Yes	N/A	<1%	Not subject to Pledged Collateral
Wells Fargo Small Business Relief Fund	12,770,082	Yes	N/A	<1%	Not subject to Pledged Collateral
Government Money Market Funds	237,355,805	Yes	AAA	17%	Not subject to Pledged Collateral
US Treasury Notes less than 91 days to maturity	102,421,930	Yes	AA+	7%	Not subject to Pledged Collateral
Early Childhood Fund	557,463	Yes	AAA	<1%	Subject to Pledged Collateral (page 86)
US Eagle	31,354	Yes	N/A	<1%	Subject to Pledged Collateral (page 86)
PCCF funds held with the SGFIP	19	Yes	N/A	<1%	Not subject to Pledged Collateral
Total Cash and Equivalents	<u>\$ 367,723,625</u>			27%	
Cash held in custodial fund	190,099,653				Not subject to Pledged Collateral
Total Cash and Equivalents	<u><u>\$ 557,823,278</u></u>				

Maturity Restrictions

It is the policy of NMFA to diversify investment maturities based on cash flow requirements. Unless matched to a specific cash flow, NMFA will invest in securities maturing five years or fewer from date of purchase.

Investments consist of bond proceeds limited to uses specified in the related bond indentures. Such restricted investments at June 30, 2025 are comprised of the following:

Description	Fair Value as of June 30, 2025	Average Years to Maturity	Percentage of NMFA Funds
US Treasury Notes	\$ 1,012,924,657	1.33	73%
US Government Agencies	10,103,800	1.22	1%
Total	<u><u>\$ 1,023,028,457</u></u>		

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Fair Value Measurement

NMFA's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset, either directly or indirectly, which include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Description	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
US Treasury Notes	\$ 1,012,924,657	\$ 1,012,924,657	-	-
US Government Agencies	10,103,800	10,103,800	-	-
Limited Partnership Investments	8,328,581	-	-	8,328,581
	<u>\$ 1,031,357,038</u>	<u>\$ 1,023,028,457</u>	<u>\$ -</u>	<u>\$ 8,328,581</u>

Limited Partnership Investments

NMFA invests in limited partnerships as part of its VCP and NMGF programs. As of June 30, 2025, NMFA has ten investments with venture capital funds totaling \$8.3 million in limited partnership interests, and unfunded commitments to those funds of \$47.1 million. These investments are not redeemable. Distributions from each fund will be received as the underlying assets are liquidated by the fund managers. NMFA expects the underlying assets of these funds will be liquidated over the next 9 to 10 years.

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4) Loans Receivable

Loans receivable activity for fiscal year ending June 30, 2025, was as follows:

Program	Term (Years)	Rates	2024	Increases	Decreases	2025
PPRF	1 to 30	0.00% to 6.00%	\$ 1,752,974,353	\$ 214,299,124	\$ 189,139,618	\$ 1,778,133,859
Small Business Recovery	1 to 10	1.625% to 3.750%	160,339,919	-	14,280,651	146,059,268
Drinking Water	1 to 30	0.00% to 4.00%	79,505,847	16,714,303	8,709,612	87,510,538
Water Trust Board	10 to 20	0.00%	38,716,212	10,735,036	3,297,105	46,154,143
Colonias	10 to 20	0.00%	10,212,870	3,580,692	1,274,909	12,518,653
NMTC - FNM	7	4.25%	11,974,517	17,067	-	11,991,584
Opportunity Enterprise Act - Commercial	Up to 30	No less than 3%	-	3,400,000	-	3,400,000
Venture Capital Act	NA	NA	-	2,500,000	-	2,500,000
Behavioral Health	15	3.00%	1,137,242	398,400	48,813	1,486,829
SMART Money	5 to 10	2.00% to 4.00%	1,726,685	-	680,807	1,045,878
Primary Care	10 to 20	3.00%	1,021,566	-	97,398	924,168
Cannabis Microloans	5	2.00% to 3.00%	1,204,904	2,500	287,740	919,664
Essential Services	5	1.00%	883,878	-	652,865	231,013
Child Care Revolving Loan Fund	15	3.00%	-	83,525	-	83,525
			<u>2,059,697,993</u>	<u>251,730,647</u>	<u>218,469,518</u>	<u>2,092,959,122</u>
Less allowance for loan losses			<u>46,371,675</u>	<u>27,506,002</u>	<u>2,092,682</u>	<u>71,784,995</u>
			<u>\$ 2,013,326,318</u>	<u>\$ 224,224,645</u>	<u>\$ 216,376,836</u>	<u>\$ 2,021,174,127</u>

The following is a summary of scheduled payments to be collected on loans receivable as of June 30, 2025:

Fiscal Year ending June 30:	Principal	Interest	Total
2026	\$ 236,086,834	\$ 61,185,612	\$ 297,272,446
2027	191,435,773	56,089,134	247,524,907
2028	191,556,862	51,412,595	242,969,457
2029	173,141,302	46,508,743	219,650,045
2030	168,339,774	42,072,804	210,412,578
2031-2035	611,845,134	146,575,959	758,421,093
2036-2040	304,871,540	68,237,269	373,108,809
2041-2045	140,383,616	28,128,871	168,512,487
2046-2050	60,947,875	8,677,976	69,625,851
2051-2055	14,350,412	958,956	15,309,368
2056-2060	-	-	-
Sub-totals	<u>2,092,959,122</u>	<u>\$ 509,847,919</u>	<u>\$ 2,602,807,041</u>
Less allowance for loan loss	<u>71,784,995</u>		
Net loans receivable	<u>\$ 2,021,174,127</u>		

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Small Business Recovery Loans Receivable

In the summary below, scheduled payments to be collected on loans receivable at June 30, 2025, for SBRLF are loan principal payments totaling \$146.1 million and interest of \$9.0 million. Upon receipt, SBRLF scheduled payments are due to the New Mexico State Investment Council (SIC) for deposit in the New Mexico Severance Tax Permanent Fund. The following details the future cash flows for SBRLF loans included above and due to the SIC:

Fiscal Year ending June 30:	Principal	Interest	Total
2026	\$ 26,795,282	\$ 2,754,561	\$ 29,549,843
2027	21,873,355	2,014,451	23,887,806
2028	21,778,433	1,622,035	23,400,468
2029	21,825,887	1,228,694	23,054,581
2030	22,164,436	832,113	22,996,549
2031-2035	31,621,875	554,757	32,176,632
Sub-totals	146,059,268	\$ 9,006,611	\$155,065,879
Less Allowance for loan loss	68,346,101		
Net loans receivable	\$ 77,713,167		

State Loans Receivable

NMFA has agreements with various state entities relating to the issuance of bonds. Pursuant to the underlying legislation and resolutions, the bond proceeds financed various State projects in the PPRF. Pursuant to the legislation, the debt service on these bonds is payable solely from pledged future revenues from the State and state entities. The following activity represents amounts due to NMFA under these agreements as of June 30, 2025. These loans are included in the PPRF loans above.

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Loan Number	State Entity	Balance at June 30, 2025
PPRF-5365	Administrative Office of the Court	\$ 5,030,000
PPRF-5696	Administrative Office of the Court	7,344,858
PPRF-5697	Administrative Office of the Court	7,864,108
PPRF-5698	Administrative Office of the Court	1,045,000
PPRF-2668	Department of Health	7,440,400
PPRF-4432	Department of Health	1,570,000
PPRF-3283	Eastern New Mexico University	10,035,000
PPRF-3797	Eastern New Mexico University	3,983,058
PPRF-5127	Eastern New Mexico University	17,130,000
PPRF-5248	Eastern New Mexico University	520,000
PPRF-3445	General Services Department	25,425,000
PPRF-4431	General Services Department	20,060,000
PPRF-4717	General Services Department	18,260,000
PPRF-4769	General Services Department	37,515,000
PPRF-2345	New Mexico Highlands University	7,065,000
PPRF-2702	New Mexico Highlands University	9,185,000
PPRF-5561	New Mexico Institute of Mining and Technology	5,125,000
PPRF-5008	New Mexico Military Institute	3,978,000
PPRF-5009	New Mexico Military Institute	6,173,000
PPRF-5464	New Mexico Spaceport Authority	18,084,068
PPRF-3296	New Mexico State University - Grants Branch	4,605,000
PPRF-2661	State of New Mexico (Energy Efficiency)	79,620
PPRF-2662	State of New Mexico (Energy Efficiency)	59,803
PPRF-3472	State of New Mexico (Energy Efficiency)	2,265,584
PPRF-4718	State of New Mexico (Energy Efficiency)	825,743
PPRF-4803	State of New Mexico (Energy Efficiency)	327,836
PPRF-4955	State of New Mexico (Energy Efficiency)	8,630,000
PPRF-4956	State of New Mexico (Energy Efficiency)	3,200,826
PPRF-5586	University of New Mexico Health Sciences Center	22,000,000
PPRF-2909	Western New Mexico University	3,065,000
PPRF-5324	Western New Mexico University	6,888,000
PPRF-5325	Western New Mexico University	6,653,000
PPRF-5841	Western New Mexico University	4,440,000
Total State Loans Receivable		\$ 275,872,904

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5) Capital Assets

A summary of changes in capital assets during fiscal year 2025 is as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Cost				
Land	\$ 428,417	\$ -	\$ -	\$ 428,417
Building/leasehold improvements	6,523,244	7,090,908	(8,241)	13,605,911
Furniture, fixtures, and equipment	78,279	1,275,194	(46,033)	1,307,440
Computer hardware and software	3,511,043	170,447	-	3,681,490
Right to use leased asset	2,092,027	199,944	(2,092,027)	199,944
Right to use SBITA asset ¹	82,894	-	-	82,894
Total	<u>\$ 12,715,904</u>	<u>\$ 8,736,493</u>	<u>\$ (2,146,301)</u>	<u>\$ 19,306,096</u>
Accumulated depreciation and amortization				
Building/leasehold improvements	\$ (8,241)	\$ -	\$ 8,241	\$ -
Furniture, fixtures, and equipment	(46,033)	-	46,033	-
Computer hardware and software	(2,598,987)	(533,529)	-	(3,132,516)
Right to use leased asset	(1,679,830)	(377,768)	2,028,287	(29,311)
Right to use SBITA asset ¹	(38,665)	(37,970)	-	(76,635)
Total	<u>(4,371,756)</u>	<u>(949,267)</u>	<u>2,082,561</u>	<u>(3,238,462)</u>
Net total	<u>\$ 8,344,148</u>	<u>\$ 7,787,226</u>	<u>\$ (63,740)</u>	<u>\$ 16,067,634</u>

Note 1: Subscription-Based Information Technology Arrangements (GASB 96)

Depreciation and amortization expense for fiscal year 2025 was \$949,267.

Total amortization expense resulting from right-of-use assets for NMFA was \$415,738 for the year ended June 30, 2025.

NMFA was a lessee of office space that terminated in February 2025. There were no residual value guarantees included in the measurement of NMFA's lease liability nor recognized as an expense for the year ended June 30, 2025. NMFA does not have any commitments that were incurred at the commencement or termination of the lease. NMFA was not subject to variable payments associated with this lease. No termination penalties were incurred during the fiscal year.

NMFA is a user for SBITAs that have a term exceeding one year that meet the definition of anything other than short-term SBITA. NMFA uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using NMFA's incremental borrowing rate at start of the arrangement for a similar asset type and term length. NMFA's review of existing contracts determined that three SBITA lease agreements were subject to GASB 96. The remaining SBITA has a future principal liability of \$150,450 to be paid in the next three fiscal years.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NMFA has the following lease and SBITA liabilities included in the Statement of Net Position:

Lease and SBITA liabilities	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Lease liability	\$ 521,977	\$ 199,944	\$ 571,471	\$ 150,450
SBITA liabilities	22,525	-	14,250	8,275
Total Lease and SBITA liabilities	<u>\$ 544,502</u>	<u>\$ 199,944</u>	<u>\$ 585,721</u>	<u>158,725</u>
Less Current Lease and SBITA liabilities				<u>47,172</u>
Non-Current Lease liabilities				<u>\$ 111,553</u>

Future principal and interest lease payments as of June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	8,275	109	8,384
	<u>\$ 8,275</u>	<u>\$ 109</u>	<u>\$ 8,384</u>

Future principal and interest SBITA payments as of June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	38,897	10,335	49,232
2027	41,510	7,722	49,232
2028	44,302	4,930	49,232
2029	25,741	1,947	27,689
	<u>\$ 150,450</u>	<u>\$ 24,935</u>	<u>\$ 175,385</u>

6) Bonds Payable

Bonds have been issued to provide financing for PPRF and are collateralized as follows:

- ◆ Loan Agreements and securities executed and delivered by governmental units in consideration for the financing of all or a portion of their respective projects by NMFA
- ◆ Amounts held in the Agreement Reserve Accounts
- ◆ Additional pledged loans
- ◆ Revenues received by NMFA from the allocation of PPRF's portion of the GGRT
- ◆ Revenues pledged through legislation as security for the payment of principal and interest on bonds (these revenues include Court Facilities Fees, Cigarette Excise and Tax, GGRT)
- ◆ Revenues pledged to the energy efficiency program (loans are detailed in Note 4)
- ◆ Current year increase of \$15,018,239 unamortized premium includes bonds issued in fiscal year 2025 of \$15,017,009 and prior year bond discounts of \$1,230.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Bonds payable consisted of the following at June 30, 2025:

Bond Series	Rate	Maturities	Original Amount	Outstanding Amount June 30, 2025
Public Project Revolving Fund Revenue Bonds - Senior Lien Debt				
2014 B	N/A	Reedemed with cash in FY 2025	\$ 58,235,000	\$ -
2015 B	3.000% to 4.000%	June 1, 2026 to June 1, 2045	45,325,000	20,440,000
2015 C	5.000%	June 1, 2026 to June 1, 2035	45,475,000	40,945,000
2016 A	2.500% to 5.000%	June 1, 2026 to June 1, 2036	52,070,000	11,110,000
2016 C	3.000% to 5.000%	June 1, 2026 to June 1, 2046	67,540,000	51,845,000
2016 D	2.000% to 4.000%	June 1, 2026 to June 1, 2041	116,485,000	54,425,000
2016 E	3.000% to 5.000%	June 1, 2026 to June 1, 2029	40,870,000	6,695,000
2016 F	3.380% to 5.000%	June 1, 2026 to June 1, 2041	38,575,000	16,820,000
2017 A	3.000% to 5.000%	June 1, 2026 to June 1, 2036	60,265,000	34,520,000
2017 C	3.000% to 5.000%	June 1, 2026 to June 1, 2030	37,675,000	11,360,000
2017 E	5.000%	June 1, 2026 to June 1, 2038	40,190,000	20,245,000
2018 A	3.250% to 5.000%	June 1, 2026 to June 1, 2038	124,330,000	71,715,000
2018 B	5.000%	June 1, 2026 to June 1, 2031	22,530,000	7,690,000
2018 D	5.000%	June 1, 2026 to June 1, 2038	53,310,000	22,700,000
2019 B	4.000% to 5.000%	June 1, 2026 to June 1, 2039	43,870,000	29,010,000
2019 D	3.000% to 5.000%	June 1, 2026 to June 1, 2041	53,260,000	39,225,000
2020 A	2.000% to 5.000%	June 1, 2026 to June 1, 2040	32,305,000	18,645,000
2020 B	3.000% to 5.000%	June 1, 2026 to June 1, 2041	81,000,000	49,715,000
2021 A	3.000% to 5.000%	June 1, 2026 to June 1, 2045	39,535,000	23,130,000
2021 C	5.000%	June 1, 2026 to June 1, 2036	43,610,000	31,900,000
2022 A	2.750% to 5.000%	June 1, 2026 to June 1, 2041	65,570,000	50,875,000
2022 B	3.630% to 5.000%	June 1, 2026 to June 1, 2042	53,215,000	41,490,000
2022 C	5.000%	June 1, 2026 to June 1, 2042	67,500,000	58,300,000
2023 A-1	5.000%	June 1, 2026 to June 1, 2042	36,655,000	27,565,000
2023 A-2	5.000%	June 1, 2026 to June 1, 2053	39,120,000	38,495,000
2023 B	5.000% to 5.250%	June 1, 2026 to June 1, 2048	162,480,000	144,365,000
2024 B	5.000%	June 1, 2026 to June 1, 2043	45,315,000	42,315,000
2025 A-1	5.000%	June 1, 2026 to June 1, 2049	77,420,000	76,870,000
2025 A-2	5.000%	June 1, 2026 to June 1, 2034	21,790,000	19,740,000
			1,665,520,000	1,062,150,000

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Public Project Revolving Fund Revenue Bonds - Subordinate Lien Debt

2014 A-1	N/A	Reedemed with cash in FY 2025	15,135,000	-
2014 A-2	N/A	Reedemed with cash in FY 2025	16,805,000	-
2015 A	3.000% to 5.000%	June 15, 2026 to June 15, 2035	63,390,000	21,030,000
2015 D	5.000%	June 15, 2026 to June 15, 2027	29,355,000	8,165,000
2017 B	5.000%	June 15, 2026 to June 15, 2026	68,015,000	3,185,000
2017 D	5.000%	June 15, 2026 to June 15, 2033	41,395,000	12,905,000
2017 F	2.970% to 3.660%	June 15, 2026 to June 15, 2036	19,315,000	8,995,000
2018 C-1	4.000% to 5.000%	June 15, 2026 to June 15, 2039	19,400,000	14,115,000
2018 C-2	4.090%	June 15, 2026 to June 15, 2038	13,175,000	6,750,000
2018 E	5.000%	June 15, 2026 to June 15, 2038	70,205,000	46,310,000
2019 A	5.000%	June 15, 2026 to June 15, 2036	37,145,000	24,455,000
2019 C-1	4.000% to 5.000%	June 15, 2026 to June 15, 2039	18,930,000	11,790,000
2019 C-2	2.540% to 3.380%	June 15, 2026 to June 15, 2039	12,480,000	6,820,000
2020 C-1	3.000% to 5.000%	June 15, 2026 to June 15, 2050	57,960,000	44,200,000
2020 C-2	1.002% to 2.650%	June 15, 2026 to June 15, 2040	38,860,000	19,920,000
2021 B	5.000%	June 15, 2026 to June 15, 2032	31,305,000	21,400,000
2024 A	5.000%	June 15, 2026 to June 15, 2044	49,890,000	40,435,000
2025 B	5.000%	June 15, 2026 to June 15, 2047	42,685,000	42,685,000
			645,445,000	333,160,000
Total bonds outstanding			\$ 2,310,965,000	1,395,310,000
Add net unamortized premium				189,783,562
Total bonds payable, net				1,585,093,562
Less current portion of bonds payable				(142,685,000)
Noncurrent portion of bonds payable				\$ 1,442,408,562

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Maturities of bonds payable and interest are as follows:

	Principal	Interest	Total
Fiscal year ending June 30			
2026	\$ 142,685,000	\$ 64,410,259	\$ 207,095,259
2027	125,580,000	57,384,630	182,964,630
2028	115,455,000	51,405,899	166,860,899
2029	105,920,000	46,178,277	152,098,277
2030	98,160,000	41,309,763	139,469,763
2031-2035	431,095,000	140,502,625	571,597,625
2036-2040	225,490,000	62,071,353	287,561,353
2041-2045	102,575,000	24,284,331	126,859,331
2046-2050	41,275,000	6,757,138	48,032,138
2051-2055	7,075,000	755,475	7,830,475
	<u>1,395,310,000</u>	<u>\$ 495,059,751</u>	<u>\$ 1,890,369,751</u>
Add unamortized premium	189,783,562		
Bonds payable, net	<u>\$ 1,585,093,562</u>		

The bonds payable activity is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025	Due within One Year
Bonds payable	\$ 1,377,970,000	\$ 187,210,000	\$ 169,870,000	\$ 1,395,310,000	\$ 142,685,000
Add: Unamortized premium	194,322,176	15,018,239	19,556,853	189,783,562	-
Total	<u>\$ 1,572,292,176</u>	<u>\$ 202,228,239</u>	<u>\$ 189,426,853</u>	<u>\$ 1,585,093,562</u>	<u>\$ 142,685,000</u>

Current and Advance Refunding of Debt

During fiscal year 2025, the PPRF did not engage in any refunding activity. However, the PPRF redeemed \$26,460,000 in outstanding 2014A1, 2014A2 and 2014B bonds using available cash. At the time of redemption, the bonds had an unamortized premium of \$4,330,978 recognized as a gain in the amortization of bond premium which is reported under Net Operating Gain in the Statement of Revenues, Expenses, and Changes in Net Position.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

7) Line of Credit

NMFA maintains a credit facility with Wells Fargo for the PPRF which provides for a borrowing limit of up to \$100,000,000 for the purpose of obtaining necessary funding, on an interim basis, to make loans to qualified entities prior to the issuance, sale and delivery of certain PPRF Revenue Bonds and to reimburse NMFA for such loans that have been made. The terms of the credit facility require payment in full of any outstanding balance from the proceeds of the next PPRF bond issuance. Interest is due monthly on the outstanding balance and accrues at 80% of U.S. dollar monthly secured overnight financing rate (SOFR) plus 65 basis points. The SOFR rate at June 30, 2025, was 4.45%. NMFA pays a fee of 28 basis points on the unused portion of the facility. For fiscal year 2025, the line of credit was not used and had a zero balance at June 30, 2025.

8) Retirement Plans

The NMFA's retirement plan was organized under Section 401(a) of the Internal Revenue Code. The retirement plan is not subject to the general claims of the creditors of NMFA. Each eligible employee participating in the plan must contribute 3% of their compensation. NMFA makes a contribution of 15% of their compensation. Employees can make an additional, voluntary contribution of up to 4% of their compensation. NMFA also makes a 50% matching contribution on all voluntary contributions. Employee contributions are 100% vested, and NMFA's contributions will vest 100% to the employee over five years. The contributions are invested in various mutual funds selected by the employee. NMFA's contributions for this retirement plan for the year ended June 30, 2025, were \$1,319,308. Additionally, employee contributions for the retirement plan for the year ended June 30, 2025, were \$474,175. Substantially all full-time employees participate in this plan. Upon employee termination, unvested employer contributions in the amount of \$150,923 were recognized as reductions to expense in fiscal year 2025.

NMFA maintains a retirement plan in accordance with an "eligible deferred compensation plan" pursuant to Section 457 of the Internal Revenue Code for its highly compensated employees. Employer contributions are limited by IRS Code Section 457(e)(15)(A). The employee contributions are fully vested at all times.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

9) Compensated Absences

The following changes occurred during fiscal year 2025 in the compensated absences liabilities:

Balance at June 30, 2024	\$ 1,000,048
FY 2024 GASB 101 Adjustment	399,170
Additions	856,078
Deletions	533,541
Balance at June 30, 2025	1,721,755
Due within one year	\$ 1,721,755

NMFA has not restated June 30, 2024, balances due to immateriality. The impact implementation of GASB 101 is comprised of Compensation Time, Employer Payroll Taxes, Retirement and Employer Benefit expense.

10) Fiduciary Transactions / Conduit Bonds Obligations

NMFA acts as a fiduciary for cash provided by New Mexico Department of Transportation for payment of debt service consisting of principal and interest on bonds, and unspent cash from bond issuances that are pending completion of construction projects. Cash is received from NMDOT and placed into escrow accounts at NMFA’s trust bank. Interest earned on idle cash and investments is credited to NMDOT. Semi-annual bond debt service is paid from the trust escrow accounts. NMFA has no liability for the NMDOT escrow accounts, as such they are not included in NMFA’s financial statements. Costs of administration of the NMDOT funds are reimbursed to NMFA based upon the actual costs incurred by NMFA.

NMFA has not provided any additional commitments, voluntary commitments, or credit enhancements related to these conduit debt obligations. In addition, the NMFA has not entered into any related arrangements such as leases, guarantees, or residual value commitments associated with the conduit debt.

11) Contingencies

Litigation

In the normal course of operations, NMFA is involved in certain litigation and arbitration proceedings involving former employee complaints and subcontractor claims.

Management and legal counsel believe the outcomes will not have a materially adverse impact on the financial position of NMFA. Currently, there are no outstanding claims that are deemed to be material to the NMFA.

NMFA is exposed to various risks of loss related to torts; theft of, damages to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. NMFA

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

participates in the State of New Mexico self-insurance program (Risk Management Program). Under this program, NMFA pays an annual premium to the State for the following types of insurance coverage:

- ◆ Workers' compensation insurance
- ◆ General liability insurance
- ◆ Civil rights
- ◆ Blanket property insurance
- ◆ Boiler and machinery insurance
- ◆ Auto physical damage insurance
- ◆ Crime insurance
- ◆ Cyber insurance

NMFA also carries commercial insurance to cover losses to which it may be exposed related to their leased office space.

During the year, there were no significant reductions in commercial insurance coverage. For the past five years, no insurance settlements exceeded commercial insurance coverage.

12) Related Party Transactions

NMFA has issued bonds or purchased securities for several other State entities to finance the construction of certain capital projects. Representatives of two of these entities (the Secretary of the New Mexico Department of Finance and Administration and the Secretary of the New Mexico Department of Energy, Minerals and Natural Resources) are ex officio members of the NMFA Board. Additionally, representatives serving on the NMFA Board hold positions as Cabinet Secretaries of the NMED and NMEDD. NMFA assists NMED in the administration of the DWSRLF federal program pursuant to a Memorandum of Understanding. Similarly, NMFA assists in the administration of the LEDA recovery grants pursuant to a Memorandum of Understanding.

NMFA has a \$6,000,000 loan to Finance New Mexico-Investor Series XIV, a consolidated subsidiary of FNMLLC. The loan accrues interest at a rate of 1% compounded annually. A single payment of all outstanding principal and accrued interest is due on January 23, 2030. As of June 30, 2025, the outstanding balance of the note and interest receivable, not yet compounded to principal, was \$6,000,000 and \$26,000, respectively. For the year ended June 30, 2025, loan interest income was \$60,000. These intercompany transactions and balances are eliminated.

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

13) Finance New Mexico, LLC

NMFA has invested in, and is the managing member of, Finance New Mexico, LLC (FNMLLC), which was formed on June 19, 2006, under the laws of the State of New Mexico. FNMLLC is an approved Community Development Entity (CDE) that holds New Markets Tax Credits (NMTC) allocation authority to be used for investment in Qualified Active Low-Income Community Businesses (QALICB) pursuant to Section 45D of the Internal Revenue Code (IRC).

The principal business objective of FNMLLC is to provide nontraditional investment capital to underserved markets and to enhance the return on such investments by providing its members with new markets tax credits. In general, under Section 45D of the Internal Revenue Code, a qualified investor in a CDE can receive the tax credits to be used to reduce Federal taxes.

In accordance with the restated operating agreement of FNMLLC, 99% of profits, losses and cash flows are allocated to NMFA, the managing member, and 1% to New Mexico Community Capital, the non-managing member.

FNMLLC has financial accountability to NMFA. Financial accountability is measured through the degree to which NMFA can appoint a voting majority of the governing body, impose its will, ascertain a potential financial benefit, or face a potential financial burden regarding the potential component unit. Based on the above criteria, it was determined that the FNMLLC is a blended component unit of NMFA. As such, NMFA has consolidated FNMLLC's financial statement amounts within NMFA's New Markets Tax Credit program. The condensed component unit information for FNMLLC and subsidiaries for the year ended June 30, 2025, was as follows:

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Statement of Net Position – FNMLLC

		June 30, 2025
Assets		
Cash and cash equivalents	\$	11,769,884
Asset management fee receivable		390,076
Investment in limited liability companies		15,580
Due from affiliate		955
Interest receivable		348,699
Loan receivable, net		11,991,584
Allowance for loan losses		(1,807,593)
Total Assets	\$	22,709,185
Liabilities		
Accrued expenses	\$	135,687
Engagement deposits		25,000
Interest payable-related party		26,000
Deferred revenue		227,280
Note payable-related party		6,000,000
Due to affiliate		1,680,458
Total Liabilities		8,094,425
Net Position		
Unrestricted		14,614,760
Total Liabilities and Net Position	\$	22,709,185

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Statement of Revenues, Expenses and Changes in Net Position – FNMLLC

	Fiscal Year Ended June 30, 2025
Revenue	
Sponsor fee income	\$ 300,000
Asset management fee income	862,569
Exit fees	416,691
Interest income on loan	529,222
Reimbursement revenue	15,000
Total Operating Revenue	2,123,482
Operating Expenses	
Sponsor fee expense	275,437
Asset management fees	796,437
Professional fees	321,843
Gross receipts tax	126,717
Interest expense	60,000
Bank fees	1,739
Total Operating Expenses	1,582,173
Net Income from Operations	541,309
Other Income (Expense)	
Share of loss from investment in LLC's	(146)
Interest earned on cash	100,239
Net Other Expense	100,093
Increase in Net Position	641,402
Net position, beginning of year	13,973,358
Net Position, End of Year	\$ 14,614,760

NEW MEXICO FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Statement of Cash Flows – FNMLLC

	Fiscal Year Ended June 30, 2025
Cash Flows from Operating Activities	
Increase in net position	\$ 641,402
Adjustments to reconcile net income to net cash provided by operating activities:	
Share of loss from investments in LLCs	146
Loan origination fee revenue	(17,067)
Deferred revenue recognition	(57,382)
Increase in asset management fee receivable	(11,595)
Increase in accrued expenses	18,238
Increase in engagement deposits	25,000
Decrease in repayment of advances from affiliates	(293,570)
Net Cash Provided by Operating Activities	305,172
Cash Flows from Investing Activities	
Increase in investments in LLCs	(1,000)
Distribution from LLCs	675
Net Cash Used in Investing Activities	(325)
Net Increase in Cash and Cash Equivalents	304,847
Cash and cash equivalents, beginning of year	11,465,037
Cash and Cash Equivalents, End of Year	\$ 11,769,884
Supplemental Disclosure of Cash Flow Information:	
Cash paid for interest	\$ 60,000

SUPPLEMENTARY SCHEDULES

NEW MEXICO FINANCE AUTHORITY

Combining Statement of Net Position

June 30, 2025

	Operating Fund	Behavioral Health Capital Fund	Cannabis Microbusiness Program	Charter School Facility Revolving Fund	Child Care Revolving Loan Fund	Colonias Infrastructure Fund	Drinking Water State Revolving Loan Fund	ECECD Supply Building Grants	Energy Efficiency Revolving Loan Fund	Essential Services Working Capital Fund	Local Economic Development Act	Local Government Planning Fund	Local Solar Access
Assets													
Current Assets													
Cash and cash equivalents													
Unrestricted cash	\$ 5,468,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	808,904	30,410	31,354	2,769,990	709,752	609,980	39,683,713	557,463	1,330,232	202,248	-	1,135,095	-
Interest receivable	-	4,505	4,300	-	191	-	159,037	-	-	107	-	-	-
Grants and other receivable	2,415,253	-	448,581	-	-	-	-	-	-	-	-	-	-
Due from other funds	5,354,876	-	-	-	-	-	-	-	-	-	-	-	-
Administrative fees receivable	348,253	-	-	-	-	1,351	34,808	-	33,326	-	-	-	-
Loans receivable	-	63,620	322,053	-	-	694,194	7,128,557	-	-	172,033	-	-	-
Total Current Assets	14,396,080	98,535	806,288	2,769,990	709,943	1,305,525	47,006,115	557,463	1,363,558	374,388	-	1,135,095	-
Non-current assets													
Unrestricted investments	13,778,056	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments	-	74,347	-	8,001,461	2,049,026	-	114,625,397	-	3,841,837	583,410	-	3,279,185	-
Limited partnership investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans receivable	-	1,423,209	597,611	-	83,525	11,824,459	80,381,981	-	-	58,980	-	-	-
Allowance for bad debt	-	(74,341)	(171,128)	-	(4,176)	-	-	-	-	(41,106)	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Assets, net of accumulations	16,067,634	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-current Assets	29,845,690	1,423,215	426,483	8,001,461	2,128,375	11,824,459	195,007,378	-	3,841,837	601,284	-	3,279,185	-
Total Assets	44,241,770	1,521,750	1,232,771	10,771,451	2,838,318	13,129,984	242,013,493	557,463	5,205,395	975,672	-	4,414,280	-
Deferred Outflows of Resources													
Deferred loss on refunding, non-capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities													
Current Liabilities													
Undisbursed loan proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable, current	-	-	-	-	-	-	-	-	-	-	-	-	-
Advanced debt service payments	-	-	-	-	-	-	1,820,125	-	-	-	-	-	-
Payable to State Investment Council, current	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	1,721,755	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	588,435	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	234,797	-	-	-	-	-	-	-	-	-	-	-	-
Lease and SBITA liabilities	47,172	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	8,280	6,999	1,014	23,376	2,844,750	1,190,675	-	97,160	6,388	-	25,658	1,329
Other liabilities	163,190	-	1,038,977	-	-	-	1,569,294	557,463	80,024	734,181	-	-	-
Total Current Liabilities	2,755,349	8,280	1,045,976	1,014	23,376	2,844,750	4,580,094	557,463	177,184	740,569	-	25,658	1,329
Non-Current Liabilities													
Bonds payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to State Investment Council	-	-	-	-	-	-	-	-	-	-	-	-	-
NMFA HQ liability	11,298,000	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	111,553	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	11,409,553	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	14,164,902	8,280	1,045,976	1,014	23,376	2,844,750	4,580,094	557,463	177,184	740,569	-	25,658	1,329
Deferred Inflows of Resources													
Deferred gain on refunding, non-capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Position													
Net investment in capital assets	15,908,909	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for program commitments	(5,297,410)	1,513,470	186,795	10,770,437	2,814,942	10,285,234	237,398,591	-	5,028,211	235,103	-	4,388,622	(1,329)
Unrestricted	19,465,369	-	-	-	-	-	34,808	-	-	-	-	-	-
Total Net Position	\$ 30,076,868	\$ 1,513,470	\$ 186,795	\$ 10,770,437	\$ 2,814,942	\$ 10,285,234	\$ 237,433,399	\$ -	\$ 5,028,211	\$ 235,103	\$ -	\$ 4,388,622	\$ (1,329)

NEW MEXICO FINANCE AUTHORITY

Combining Statement of Net Position

June 30, 2025

New Markets Tax Credits	New Mexico Growth Fund - Venture Capital	Opportunity Enterprise Act - Commercial	Opportunity Enterprise Act - Housing	Primary Care Capital Fund	Public Project Revolving Fund	Small Business Recovery Fund	SMART Money	State Small Business Credit Initiative	SSBCI 2.0 Capital Access	SSBCI 2.0 Loan Participation	Venture Capital Act	Water Project Fund / Water Trust Board	NMEA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,468,794
11,847,323	3,899,431	31,783,504	33,371,660	40,707	182,478,397	12,865,265	701,351	-	-	-	13,377,092	24,020,960	362,254,831
348,700	-	13,968	-	4,865	12,563,056	325,472	2,002	-	-	-	2,188	-	13,428,391
-	-	-	-	-	-	3,890	-	-	-	-	-	12,337,858	13,432,424
405,655	-	-	-	-	202,593	-	-	-	-	-	-	-	1,066,576
-	-	-	-	99,758	196,561,143	26,795,281	1,045,878	-	-	-	-	40,590	236,086,834
12,601,678	3,899,431	31,797,472	33,371,660	145,330	391,805,189	39,989,908	1,749,231	-	-	-	13,379,280	39,603,725	631,737,850
-	-	-	-	-	-	-	-	-	-	-	-	-	13,778,056
223,213	11,263,082	91,806,636	96,394,417	117,993	566,940,006	-	2,025,074	-	-	-	38,640,519	69,384,798	1,009,250,401
-	1,195,502	-	-	-	-	-	-	-	-	-	7,133,079	-	8,328,581
11,991,584	-	3,400,000	-	824,410	1,581,572,716	119,263,987	-	-	-	-	2,500,000	42,949,826	1,856,872,288
(1,807,593)	-	(170,000)	-	(46,209)	(1,072,048)	(68,346,101)	(52,293)	-	-	-	-	-	(71,784,995)
-	-	-	-	-	-	11,298,000	-	-	-	-	-	-	16,067,634
10,407,204	12,458,584	95,036,636	96,394,417	896,194	2,158,738,674	50,917,886	1,972,781	-	-	-	48,273,598	112,334,624	2,818,733,909
23,008,882	16,358,015	126,834,108	129,766,077	1,041,524	2,550,543,863	90,907,794	3,722,012	-	-	-	61,652,878	151,938,349	3,464,249,815
-	-	-	-	-	443,554	-	-	-	-	-	-	-	443,554
-	-	-	-	-	443,554	-	-	-	-	-	-	-	443,554
-	-	-	-	-	449,091,474	-	-	-	-	-	-	-	449,091,474
-	-	-	-	-	142,685,000	-	-	-	-	-	-	-	142,685,000
-	-	-	-	-	111,606,152	-	-	-	-	-	-	-	113,426,277
-	-	-	-	-	-	44,372,520	-	-	-	-	-	-	44,372,520
-	-	-	-	-	4,938,078	-	-	-	-	-	-	-	4,938,078
-	-	-	-	-	-	-	-	-	-	-	-	-	1,721,755
-	-	-	-	-	-	-	-	-	-	-	-	2,636	591,071
-	-	-	-	-	-	-	-	-	-	-	-	-	234,797
-	-	-	-	-	-	-	-	-	-	-	-	-	47,172
26,943	14,218	87,507	99,391	6,256	404,467	-	78,387	-	121,421	139,493	21,870	149,294	2,798,553
340,241	-	-	-	16,785	71,556	-	-	-	-	-	-	-	2,798,553
367,184	14,218	87,507	99,391	23,041	708,796,727	44,372,520	78,387	-	121,421	139,493	21,870	151,930	759,906,697
-	-	-	-	-	1,442,408,562	-	-	-	-	-	-	-	1,442,408,562
-	-	-	-	-	-	50,917,885	-	-	-	-	-	-	50,917,885
-	-	-	-	-	-	-	-	-	-	-	-	-	111,553
-	-	-	-	-	1,442,408,562	50,917,885	-	-	-	-	-	-	1,493,438,000
367,184	14,218	87,507	99,391	23,041	2,151,205,289	95,290,405	78,387	-	121,421	139,493	21,870	151,930	2,253,344,697
-	-	-	-	-	828,220	-	-	-	-	-	-	-	828,220
-	-	-	-	-	828,220	-	-	-	-	-	-	-	828,220
-	-	-	-	-	-	-	-	-	-	-	-	-	15,908,909
22,236,043	16,343,797	126,746,601	129,666,686	1,018,483	398,751,315	(4,382,611)	3,643,625	-	(121,421)	(139,493)	61,631,008	151,745,829	1,174,462,528
405,655	-	-	-	-	202,593	-	-	-	-	-	-	40,590	20,149,015
\$ 22,641,698	\$ 16,343,797	\$ 126,746,601	\$ 129,666,686	\$ 1,018,483	\$ 398,953,908	\$ (4,382,611)	\$ 3,643,625	\$ -	\$ (121,421)	\$ (139,493)	\$ 61,631,008	\$ 151,786,419	\$ 1,210,520,452

NEW MEXICO FINANCE AUTHORITY

Combining Statement of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30, 2025

	Operating Fund	Behavioral Health Capital Fund	Canabis Microbusiness Program	Charter School Facility Revolving Fund	Child Care Revolving Loan Fund	Colonias Infrastructure Fund	Drinking Water State Revolving Loan Fund	EECED Supply Building Grants	Energy Efficiency Revolving Loan Fund	Essential Services Working Capital Fund	Local Economic Development Act	Local Government Planning Fund	Local Solar Access
Operating Revenue													
Interest on loans	\$ -	\$ 34,860	\$ 17,190	\$ -	\$ 329	\$ -	\$ 855,478	\$ -	\$ -	\$ 5,357	\$ -	\$ -	\$ -
Administrative fees revenue	385,639	-	-	-	-	1,351	193,543	(20,069)	33,326	-	-	-	-
Interest on investments	1,021,298	26,383	195	472,263	89,597	26,476	6,412,079	-	80,024	41,663	12,568	228,738	-
Unrealized Gain/(Loss)	68,667	815	-	36,416	7,247	-	513,446	-	13,768	2,899	-	14,403	-
Total Operating Revenues	1,475,604	62,058	17,385	508,679	97,173	27,827	7,974,546	(20,069)	127,118	49,919	12,568	243,141	-
Operating Expenses													
Bond interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium (discount) and flows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan financing pass-through	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for loan losses	-	17,479	55,933	-	4,176	-	-	-	-	(3,088)	-	-	-
Interest expense	7,192	-	-	-	-	-	-	-	80,024	-	-	-	-
Share of income (loss) from investments in LP	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited partnership unrealized gain (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expense	12,685,014	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expenses - direct	(5,660,633)	57,070	45,313	46,684	47,778	252,378	478,582	7,123	62,671	47,155	706	124,725	507
Personnel expenses - indirect	(5,813,130)	60,846	42,625	42,361	38,962	277,299	513,757	7,686	31,519	47,719	377	136,122	465
Contractual services expense	4,918,409	-	20	-	-	-	-	-	-	-	-	-	-
Contractual services - direct	(3,408,777)	20,034	18,956	1,312	12,762	282,207	306,807	-	6,357	-	2,709	33,010	-
Contractual services - indirect	(1,402,509)	13,974	10,419	10,484	12,240	63,534	121,662	1,976	13,788	12,214	86	30,959	131
Operating expense	1,954,986	99,600	-	-	-	-	-	-	-	-	-	-	-
Operating expenses - direct	(122,191)	196	-	174	-	6,797	13,387	-	-	-	-	1,830	-
Operating expenses - indirect	(1,906,537)	17,001	14,185	14,786	16,586	88,654	160,661	3,284	16,151	18,835	330	47,034	226
Depreciation and amortization	949,267	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	2,201,091	286,200	187,451	115,801	132,504	970,869	1,594,856	20,069	210,510	122,835	4,208	373,680	1,329
Net Operating Loss	(725,487)	(224,142)	(170,066)	392,878	(35,331)	(943,042)	6,379,690	(40,138)	(83,392)	(72,916)	8,360	(130,539)	(1,329)
Non-operating Revenue (Expenses)													
Appropriation revenue	-	-	-	-	1,750,000	-	-	-	5,078,277	-	-	-	-
Transfers from the State of New Mexico	-	-	-	-	-	34,570,440	-	(37,573)	-	-	10,532	-	-
Federal Grant Revenue	-	-	-	-	-	-	34,281,475	-	-	-	-	-	-
Grants expense	-	-	-	-	-	(31,222,153)	(20,503,242)	57,642	-	-	-	(1,125,148)	-
Transfers to the State of New Mexico	-	-	-	-	-	-	-	-	-	-	(280,954)	-	-
Intra-fund transfers	(727,362)	-	(131,969)	-	1,100,273	99,151	4,977,804	20,069	33,326	131,969	-	2,000,000	-
Net Non-operating Revenue (Expenses)	(727,362)	-	(131,969)	-	2,850,273	3,447,438	18,756,037	40,138	5,111,603	131,969	(270,422)	874,852	-
Increase (Decrease) in Net Position	(1,452,849)	(224,142)	(302,035)	392,878	2,814,942	2,504,396	25,135,727	-	5,028,211	59,053	(262,062)	744,313	(1,329)
Net Position, Beginning of Period	31,529,717	1,737,612	488,830	10,377,559	-	7,780,838	212,297,672	-	176,050	262,062	3,644,309	-	-
Net Position, End of Period	\$ 30,076,868	\$ 1,513,470	\$ 186,795	\$ 10,770,437	\$ 2,814,942	\$ 10,285,234	\$237,433,399	\$ -	\$ 5,028,211	\$ 235,103	\$ -	\$ 4,388,622	\$ (1,329)

NEW MEXICO FINANCE AUTHORITY

Combining Statement of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30, 2025

New Markets Tax Credits	New Mexico Growth Fund - Venture Capital	Opportunity Enterprise Act - Commercial	Opportunity Enterprise Act - Housing	Primary Care Capital Fund	Public Project Revolving Fund	Small Business Recovery Fund	SMART Money	State Small Business Credit Initiative	SSBCI 2.0 Capital Access	SSBCI 2.0 Loan Participation	Venture Capital Act	Water Project Fund / Water Trust Board	NMFA
\$ 529,219	\$ -	\$ 44,313	\$ -	\$ 29,071	\$ 55,864,251	\$ 1,345,019	\$ 33,938	\$ -	\$ -	\$ -	\$ 2,188	\$ -	\$ 58,761,213
2,093,254	-	-	-	-	868,396	582,320	-	-	-	-	-	107,963	4,245,723
111,588	700,373	5,759,585	5,424,548	6,221	11,143,708	232,113	106,396	2,064	-	-	2,270,933	3,450,404	37,619,217
906	52,450	514,464	345,661	453	2,501,461	-	8,787	453	-	-	175,376	271,661	4,529,333
2,734,967	752,823	6,318,362	5,770,209	35,745	70,377,816	2,159,452	149,121	2,517	-	-	2,448,497	3,830,028	105,155,486
-	-	-	-	-	65,867,096	-	-	-	-	-	-	-	65,867,096
-	-	-	-	-	(20,080,871)	-	-	-	-	-	-	-	(20,080,871)
-	-	-	-	-	7,788,202	-	-	-	-	-	-	-	7,788,202
-	-	-	-	-	1,411,717	-	-	-	-	-	-	-	1,411,717
-	-	170,000	-	(4,870)	(1,145,345)	-	(34,040)	-	-	-	-	-	(939,755)
-	1,788	-	-	-	-	1,577,132	-	-	-	-	50,555	-	1,716,691
-	391,867	-	-	-	-	-	-	-	-	-	735,696	-	1,127,563
-	(1,446)	-	-	-	-	-	-	-	-	-	(22,573)	-	(24,019)
-	-	-	-	-	-	-	-	-	-	-	-	-	12,685,014
391,780	50,296	515,515	428,027	32,033	1,986,902	218,351	51,799	2,101	53,659	60,957	147,292	551,229	-
410,650	46,306	488,053	407,630	35,785	2,159,642	229,091	51,018	2,019	35,293	42,095	117,590	588,220	-
272,179	-	-	-	-	283,889	-	-	-	-	-	-	-	5,474,497
170,313	104,960	63,582	23,157	-	1,596,236	-	3,226	-	-	-	200,000	563,149	-
97,479	12,475	117,442	103,848	8,014	500,317	54,687	13,873	530	11,240	15,499	33,599	142,039	-
126,717	-	-	-	-	-	-	-	12,796	-	-	-	-	2,194,099
22,036	2,440	3,955	6,529	174	47,888	839	175	-	3,096	3,713	2,666	6,296	-
134,800	19,339	175,998	133,382	9,969	674,721	79,352	11,485	712	18,133	17,229	46,134	187,550	-
-	-	-	-	-	-	-	-	-	-	-	-	-	949,267
1,625,954	628,025	1,534,545	1,102,573	81,105	61,090,394	2,159,452	97,536	18,158	121,421	139,493	1,310,959	2,038,483	78,169,501
1,109,013	124,798	4,783,817	4,667,636	(45,360)	9,287,422	-	51,585	(15,641)	(121,421)	(139,493)	1,137,538	1,791,545	26,985,985
-	-	-	-	-	40,624,145	-	-	-	-	-	10,000,000	72,000,000	129,452,422
-	-	-	-	-	-	-	-	-	-	-	-	75,429,010	109,972,409
-	-	-	-	-	-	-	-	-	-	-	-	-	34,281,475
-	-	-	-	-	(5,000,000)	-	-	(630,761)	-	-	-	(67,410,933)	(120,203,834)
-	-	-	-	-	(8,085,583)	582,322	-	-	-	-	-	-	(5,911,715)
-	-	-	-	-	27,538,562	582,322	-	(630,761)	-	-	10,000,000	80,018,077	147,590,757
1,109,013	124,798	4,783,817	4,667,636	(45,360)	36,825,984	582,322	51,585	(646,402)	(121,421)	(139,493)	11,137,538	81,809,622	174,576,742
21,532,685	16,218,999	121,962,784	124,999,050	1,063,843	362,127,924	(4,964,933)	3,592,040	646,402	-	-	50,493,470	69,976,797	1,035,943,710
\$ 22,641,698	\$ 16,343,797	\$126,746,601	\$129,666,686	\$ 1,018,483	\$398,953,908	\$ (4,382,611)	\$ 3,643,625	\$ -	\$ (121,421)	\$ (139,493)	\$ 61,631,008	\$151,786,419	\$ 1,210,520,452

NEW MEXICO FINANCE AUTHORITY

Combining Statement of Cash Flows

Fiscal Year Ended June 30, 2025

	Operating Fund	Behavioral Health Capital Fund	Cannabis Microbusiness Program	Charter School Facility Revolving Fund	Child Care Revolving Loan Fund	Colonias Infrastructure Fund	Drinking Water State Revolving Loan Fund	ECECD Building Grants	Energy Efficiency Revolving Loan	Essential Services Working Capital Fund	Local Economic Development	Local Government Planning Fund	Local Solar Access
Cash flows from operating activities													
Cash paid for employee services	\$ (11,957,328)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash paid to vendors for services	(8,114,093)	(99,600)	(20)	-	-	-	-	-	-	-	-	-	-
Loan payments received	-	48,813	167,793	-	-	1,274,909	8,714,647	-	-	652,865	-	-	-
Loans funded	-	(398,400)	(2,500)	-	(83,525)	(3,580,692)	(16,714,303)	-	-	-	-	-	-
Cash provided by undisbursed loans and advanced loan payments	-	-	-	-	-	-	321,696	-	-	-	-	-	-
Interest on loans	-	34,457	22,073	-	138	-	1,015,551	-	-	5,750	-	-	-
Administrative fees received	420,727	-	260,191	-	-	-	215,249	(20,069)	-	-	-	-	-
Net cash provided by (used in) operating activities	(19,650,694)	(414,730)	447,537	-	(83,387)	(2,305,783)	(6,447,160)	(20,069)	-	658,615	-	-	-
Cash flows from noncapital financing activities													
Reversions	-	-	-	-	-	-	-	-	-	-	(280,954)	-	-
Appropriations received from the State of New Mexico	-	-	-	-	1,750,000	-	-	-	5,078,277	-	-	-	-
Cash received from federal government capitalization grant	-	-	-	-	-	-	34,281,475	-	33,326	-	-	-	-
Cash transfers from the State of New Mexico	-	-	-	-	-	34,570,440	-	(37,573)	-	-	10,532	-	-
Cash transfers to the State of New Mexico	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants to local governments	-	-	-	-	-	(31,222,153)	(20,503,242)	57,642	-	-	-	(1,125,148)	-
Intra-program transfers	21,200,935	(167,775)	(550,591)	(130,120)	995,321	(1,214,499)	3,259,974	57,642	46,698	(934,521)	(15,244)	1,555,398	-
Proceeds from the sale of bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest expense paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond premium (discount) and deferred flow of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan financing pass-through to borrower	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	21,200,935	(167,775)	(550,591)	(130,120)	2,745,321	2,133,788	17,038,207	77,711	5,158,301	(934,521)	(285,666)	430,250	-
Cash flows from investing activities													
Sale (Purchase) of investments	(875,764)	254,330	-	(2,825,066)	(2,049,026)	-	(46,492,010)	-	(3,841,837)	(79,469)	-	(1,415,996)	-
Interest received on investments	1,089,965	27,198	195	508,679	96,844	26,476	6,925,525	-	13,768	44,562	12,568	243,141	-
Investment in limited partnerships, net of distributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	214,201	281,528	195	(2,316,387)	(1,952,182)	26,476	(39,566,485)	-	(3,828,069)	(34,907)	12,568	(1,172,855)	-
Cash flows from capital financing activities													
Purchase of capital assets	(9,058,530)	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	(9,058,530)	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(7,294,088)	(300,977)	(102,859)	(2,446,507)	709,752	(145,519)	(28,975,438)	57,642	1,330,232	(310,813)	(273,098)	(742,605)	-
Cash and cash equivalents, beginning of year	13,571,786	331,387	134,213	5,216,497	-	755,499	68,659,151	499,821	-	513,061	273,098	1,877,700	-
Cash and cash equivalents, end of year	\$ 6,277,698	\$ 30,410	\$ 31,354	\$ 2,769,990	\$ 709,752	\$ 609,980	\$ 39,683,713	\$ 557,463	\$ 1,330,232	\$ 202,248	\$ -	\$ 1,135,095	\$ -
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities													
Net operating income (loss)	\$ (725,487)	\$ (224,142)	\$ (170,066)	\$ 392,878	\$ (35,331)	\$ (943,042)	\$ 6,379,690	\$ (40,138)	\$ (83,392)	\$ (72,916)	\$ 8,360	\$ (130,539)	\$ (1,329)
Adjustments to change in net position													
Depreciation and amortization	949,267	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of premium (discount) and deferred flow of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for loan losses	-	17,479	55,932	-	4,176	-	-	-	-	(3,088)	-	-	-
Interest on investments	(1,089,965)	(27,198)	(195)	(508,679)	(96,844)	(26,476)	(6,925,525)	-	(93,792)	(44,562)	(12,568)	(243,141)	-
Bond interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan financing pass-through to borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in limited partnerships, net of distributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(7,192)	-	-	-	-	-	-	-	80,024	-	-	-	-
Changes in assets and liabilities													
Interest receivable	-	(403)	4,883	-	(191)	-	165,108	-	-	393	-	-	-
Grants, prepaids and other assets	704,114	-	260,191	-	-	-	-	-	-	-	-	-	-
Due from other programs	1,972,111	-	-	-	-	-	-	-	-	-	-	-	-
Administrative fees receivable	(350,551)	-	-	-	-	(1,351)	21,706	-	-	-	-	-	-
Loans receivable	-	(349,587)	165,294	-	(83,525)	(2,305,783)	(8,004,691)	-	-	652,865	-	-	-
Accounts payable	(363,629)	-	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	5,979	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	721,707	-	-	-	-	-	-	-	-	-	-	-	-
Due to other programs	-	1,346	(16,101)	(14,319)	23,376	(342,781)	(377,638)	-	97,160	(17,103)	(10,836)	(70,922)	1,329
Undisbursed loan proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Advanced loan payments	-	-	-	-	-	-	321,696	-	-	-	-	-	-
Other liabilities	(21,467,048)	167,775	147,599	130,120	104,952	1,313,650	1,972,494	20,069	-	143,026	15,044	444,602	-
Net cash provided by (used in) operating activities	(19,650,694)	(414,730)	447,537	-	(83,387)	(2,305,783)	(6,447,160)	(20,069)	-	658,615	-	-	-

NEW MEXICO FINANCE AUTHORITY

Combining Statement of Cash Flows

Fiscal Year Ended June 30, 2025

New Markets Tax Credits	New Mexico Growth Fund - Venture Capital	Opportunity Enterprise Act - Commercial	Opportunity Enterprise Act - Housing	Primary Care Capital Fund	Public Project Revolving Fund	Small Business Recovery Fund	SMART Money	State Small Business Credit Initiative	SSBCI 2.0 Capital Access	SSBCI 2.0 Loan Participation	Venture Capital Act	Water Project Fund / Water Trust Board	NMFAs
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,957,328)
(398,896)	-	-	-	97,398	(283,889)	(3,409,258)	-	-	-	-	-	-	(12,305,756)
-	-	(3,400,000)	-	189,139,618	189,139,618	13,559,274	680,806	-	-	-	-	3,297,105	217,633,228
-	-	-	-	-	(214,299,124)	-	-	-	-	-	(2,500,000)	(10,735,036)	(251,713,580)
-	-	-	-	-	43,141,130	-	-	-	-	-	-	-	43,462,826
529,219	-	30,345	-	28,729	55,252,618	2,430,025	35,119	-	-	-	-	-	59,384,024
2,081,481	-	-	-	-	930,954	(3,892)	-	-	-	-	-	(11,131,818)	(7,247,177)
2,211,804	-	(3,369,655)	-	126,127	73,881,307	12,576,149	715,925	-	-	-	(2,500,000)	(18,569,749)	37,256,237
-	-	-	-	-	-	-	-	-	-	-	-	-	(280,954)
-	-	-	-	-	40,624,145	-	-	-	-	-	10,000,000	72,000,000	129,452,422
-	-	-	-	-	-	-	-	-	-	-	-	-	34,314,801
-	-	-	-	-	-	-	-	-	-	-	-	75,429,010	109,972,409
-	-	-	-	-	(5,000,000)	(686,780)	-	(630,761)	-	-	-	-	(6,317,541)
-	-	-	-	-	-	-	-	-	-	-	-	(67,410,933)	(120,203,834)
(1,945,688)	(521,085)	(126,720,127)	123,995,868	(97,939)	(15,252,254)	-	(115,430)	(18,158)	-	-	(806,970)	(2,621,435)	-
-	-	-	-	-	182,671,386	-	-	-	-	-	-	-	182,671,386
-	-	-	-	-	(169,870,000)	-	-	-	-	-	-	-	(169,870,000)
-	-	-	-	-	(1,411,717)	-	-	-	-	-	-	-	(1,411,717)
-	-	-	-	-	(65,523,699)	-	-	-	-	-	-	-	(65,523,699)
-	-	-	-	-	19,555,622	-	-	-	-	-	-	-	19,555,622
-	-	-	-	-	(7,788,202)	-	-	-	-	-	-	-	(7,788,202)
(1,945,688)	(521,085)	(126,720,127)	123,995,868	(97,939)	(21,994,719)	(686,780)	(115,430)	(648,919)	-	-	9,193,030	77,396,642	104,570,693
(110,284)	(3,160,787)	31,421,211	(96,394,417)	(56,276)	(63,465,131)	-	(1,023,462)	321,878	-	-	(14,148,660)	(54,015,734)	(257,956,500)
112,494	752,823	6,274,049	5,770,209	6,674	13,645,169	232,113	115,183	2,517	-	-	2,446,309	3,722,065	42,068,526
-	(1,336,205)	-	-	-	-	-	-	-	-	-	(6,345,084)	-	(7,681,289)
2,210	(3,744,169)	37,695,260	(90,624,208)	(49,602)	(49,819,962)	232,113	(908,279)	324,395	-	-	(18,047,435)	(50,293,669)	(223,569,263)
-	-	-	-	-	-	-	-	-	-	-	-	-	(9,058,530)
-	-	-	-	-	-	-	-	-	-	-	-	-	(9,058,530)
268,326	(4,265,254)	(92,394,522)	33,371,660	(21,414)	2,066,626	12,121,482	(307,784)	(324,524)	-	-	(11,354,405)	8,533,224	(90,800,863)
11,578,997	8,164,685	124,178,026	-	62,121	180,411,771	743,783	1,009,135	324,524	-	-	24,731,497	15,487,736	458,524,488
\$ 11,847,323	\$ 3,899,431	\$ 31,783,504	\$ 33,371,660	\$ 40,707	\$ 182,478,397	\$ 12,865,265	\$ 701,351	\$ -	\$ -	\$ -	\$ 13,377,092	\$ 24,020,960	\$ 367,723,625
\$ 1,109,013	\$ 124,798	\$ 4,783,817	\$ 4,667,636	\$ (45,360)	\$ 9,287,422	\$ -	\$ 51,585	\$ (15,641)	\$ (121,421)	\$ (139,493)	\$ 1,137,538	\$ 1,791,545	\$ 26,985,985
-	-	-	-	-	-	-	-	-	-	-	-	-	949,267
-	-	-	-	-	(20,606,120)	-	-	-	-	-	-	-	(20,606,120)
-	-	170,000	-	(4,870)	(1,145,345)	-	(34,040)	-	-	-	-	-	(939,756)
(112,494)	(752,823)	(6,274,049)	(5,770,209)	(6,674)	(13,645,169)	(232,113)	(115,183)	(2,517)	-	-	(2,446,309)	(3,722,065)	(42,148,550)
-	-	-	-	-	66,392,345	-	-	-	-	-	-	-	66,392,345
-	-	-	-	-	7,788,202	-	-	-	-	-	-	-	7,788,202
-	-	-	-	-	1,411,717	-	-	-	-	-	-	-	1,411,717
-	390,421	-	-	-	-	-	-	-	-	-	763,678	-	1,154,099
-	-	-	-	-	-	-	-	-	-	-	-	-	72,832
-	-	(13,968)	-	(342)	(611,633)	-	1,181	-	-	-	(2,188)	-	(457,160)
-	-	-	-	-	-	(3,890)	-	-	-	-	-	(11,232,209)	(10,271,794)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
(11,774)	-	-	-	-	62,558	-	-	-	-	-	-	(7,572)	(286,984)
-	-	(3,400,000)	-	97,398	(25,159,506)	13,559,274	680,806	-	-	-	(2,500,000)	(7,437,931)	(34,085,386)
-	-	-	-	-	-	-	-	-	-	-	2,636	-	(360,993)
-	-	-	-	-	-	-	-	-	-	-	-	-	5,979
-	-	-	-	-	-	-	-	-	-	-	-	-	721,707
(254,288)	(285,269)	(355,582)	98,441	(11,964)	(201,743)	-	16,146	-	121,421	139,493	(259,689)	(252,588)	-
-	-	-	-	-	31,316,931	-	-	-	-	-	-	-	31,316,931
-	-	-	-	-	11,824,199	-	-	-	-	-	-	-	12,145,895
1,481,347	522,873	1,720,127	1,004,132	97,939	7,167,449	(747,122)	115,430	18,158	-	-	806,970	2,288,435	(2,531,979)
2,211,804	-	(3,369,655)	-	126,127	73,881,307	12,576,149	715,925	-	-	-	(2,500,000)	(18,569,749)	37,256,237

**Schedule of Pledged Collateral
June 30, 2025**

Bank Accounts:	Wells Fargo	U.S Eagle
<u>Deposit Account</u>		
Operating Account - Operating Fund	\$ 81,268	\$ -
Operating Account - Early Childhood Fund	557,463	-
Operating Account - CMP	-	31,354
Total amount of deposits (bank balances)	<u>638,730</u>	<u>31,354</u>
FDIC Coverage	(250,000)	(250,000)
Total uninsured public funds	<u>\$ 388,730</u>	<u>\$ -</u>
Collateral requirement @ 50%	<u>\$ 194,365</u>	<u>\$ -</u>

NMFA is required to have \$194,365 collateral coverage and has collateral coverage from a third-party financial institution in the amount of \$2,932,080 on June 30, 2025.

The Bank of New York Mellon

CUSIP	Description	Quantity	Market Value
3140XC6U7	FNMA FNMS 3.500% 12/01/45	1,490,716	\$ 770,275
36179YDJ0	GNMA G2SF 5.000% 07/20/53	2,477,444	\$ 2,161,806
Total Market Value			<u>\$ 2,932,080</u>

COMPLIANCE



Jaramillo Accounting Group LLC

Certified Public Accountants

Audit, Fraud, Consulting

www.JAG.CPA

**REPORT OF INDEPENDENT AUDITORS 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***

Governing Board
New Mexico Finance Authority
Santa Fe, New Mexico

and

Mr. Joseph M. Maestas, P.E., CFE
New Mexico State Auditor
Santa Fe, New Mexico

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 enterprise fund and fiduciary fund of the New Mexico Finance Authority (NMFA), a component unit of the State of New Mexico as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise NMFA's basic financial statements, and have issued our report thereon dated October 31, 2025.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered NMFA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NMFA's internal control. Accordingly, we do not express an opinion on the effectiveness of NMFA'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.

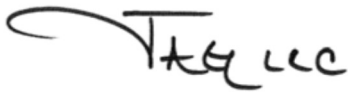
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether NMFA’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "JAG LLC". The signature is stylized, with a large, sweeping initial "J" that loops around the "A" and "G".

Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
October 31, 2025

NEW MEXICO FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS:

1	Type of auditor's report issued - Unmodified	
2	Internal Control over Financial Reporting	
	a. Material Weakness identified?	No
	b. Significant Deficiencies not considered to be material weakness?	No
3	Non-compliance material to financial statements noted?	No

SECTION II: FINANCIAL STATEMENT FINDINGS

NONE

NEW MEXICO FINANCE AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2025

None reported

**Statistical
Information
(Unaudited)**



Statistical Information (Unaudited)

This section provides information on NMFA's financial performance and market setting in terms of financial position, revenue, debt, operational, and demographic and economic trends over the past ten years.

Financial Position Trends

NMFA's financial state improved steadily over the past ten years. Total assets came in at \$3.5 billion in fiscal year 2025, increasing \$1.6 billion (87.8%) since fiscal year 2016. Growth in net position has also been strong, increasing an average of 9.1% per year since fiscal year 2016. See **Net Position on June 30, 2025-2016** on page 95.

This positive trend stands out more clearly in the change in total net position from year-to-year. The result was positive the past ten years, growing 2997.0% over this period. The biggest increase took place in fiscal year 2024 with the addition of several new programs where cash was transferred into the respective program funds, but with disbursement expected in fiscal year 2025. See **Revenue, Expenses and Changes in Net Position for Year Ended June 30, 2025-2016** on page 96.

The vast majority of the programs have been in operation ten years or more, and the trend has been positive over this period for all the programs as a whole. Total fund balance grew almost \$704.9 million (139.4%). See **Fund Balance by Component and Fund on June 30, 2025-2016** on page 97.

Revenue

Total revenue has grown \$121.3 million (92.3%) since fiscal year 2016. It grew at an average rate of 16.6% during this period, with fiscal year 2024 being the most salient. See **NMFA Net Revenue by Fund** on page 98. Most of this growth occurred in non-operating revenue, with operating revenue remaining relatively flat during this period. Non-operating revenue increased \$77.1 million (109.4%) since fiscal year 2016. The PPRF predominated every year in the period, on average accounting for 42.2% of total revenue and 83.4 % of operating revenue each year for the past ten years.

The distribution of total revenue has improved since 2016, when PPRF accounted for 48.3% of total revenue. In the past three years, it came to represent less than 40.0% of the total—28.1% in fiscal year 2025. Within the PPRF, three revenue streams (general obligation, gross receipts, and net system revenue) on average accounted for three-quarters (76.6%) of total revenue coming in through PPRF loans, never representing less than 62.7% of the total in that period. See **Public Project Revolving Fund by Pledged Revenue Type** on page 99.

Debt

All NMFA's debt corresponds to PPRF bonds. At the end of fiscal year 2025, there were \$1.4 billion in total outstanding bonds. The most recent bond issue was the 2025B subordinate lien series in the amount of \$42.7 million. The oldest bonds that have not yet been called are the 2015 A, senior lien, and 2015 B subordinate lien bonds, with an outstanding principal of \$41.5 million. See **Debt Burden** on page 100.

Loan receivables for both senior and subordinate lien bond debt service over the past ten years have stayed above NMFA's minimum times coverage ratio of 1.3x. See **PPRF Senior and Subordinate Lien Debt Service Coverage** on page 101.

Lending Operations

The concentration of PPRF borrowers has remained relatively steady over the past ten years. The five largest of the borrowers have on average made up about a quarter (21.9%) of the total portfolio. The 20 largest borrowers today are 53.1 % of the total, averaging 43.7% over the past ten years. See **Public Project Revolving Fund Concentration** on page 102.

Demographic & Economic Information

The market NMFA serves has grown slowly over the years. Population growth has been flat, staying above 2.1 million the past two decades. See **New Mexico Resident Population** on page 103.

The labor force shrank in 2020 because of the pandemic but started to recover the following years. It grew more than 16,867(1.7%) since 2024. See **Civilian Labor Force in New Mexico** on page 104.

The unemployment rate more than doubled (98.7%) in 2020, peaking at 12.7% but it has dropped every year since then until 2024. It stands at 4.2% as of July 2025. See **Unemployment Rate in New Mexico** on page 105.

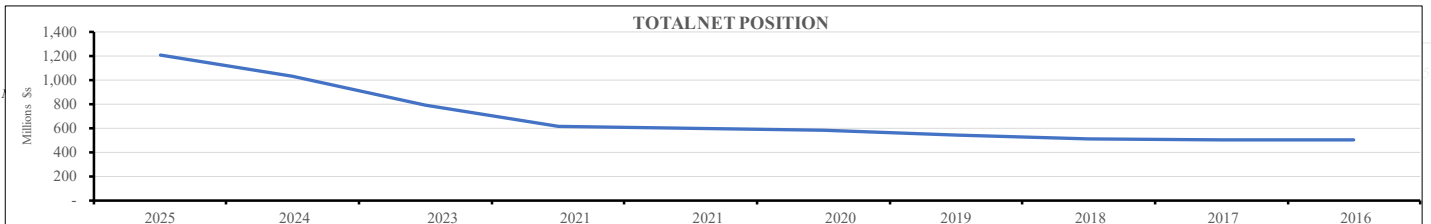
New Mexico's gross domestic product has risen steadily since the pandemic, standing at \$40.4 million (138.8%). See **Gross Domestic Product: All Industry Total in New Mexico** on page 106.

Total non-farm employment also dipped markedly during the pandemic. It has recovered just as remarkably since then. Today it is back to pre-2020 levels. See **New Mexico Historical Total Nonfarm Employment** and **Over-the-Year Job Growth** on page 107.

The property tax base has grown steadily every year until the start of the 2020 tax year, when it peaked at \$70.5 billion. It dropped in total only slightly (1.0%) during the pandemic even though Residential and Non-residential values kept rising. The decrease occurred entirely in Ad Valorem Production (mining) and Equipment appraisals. At the end of the 2024 tax year, it stood at \$107.5 billion. See **Property Tax Base** on page 108.

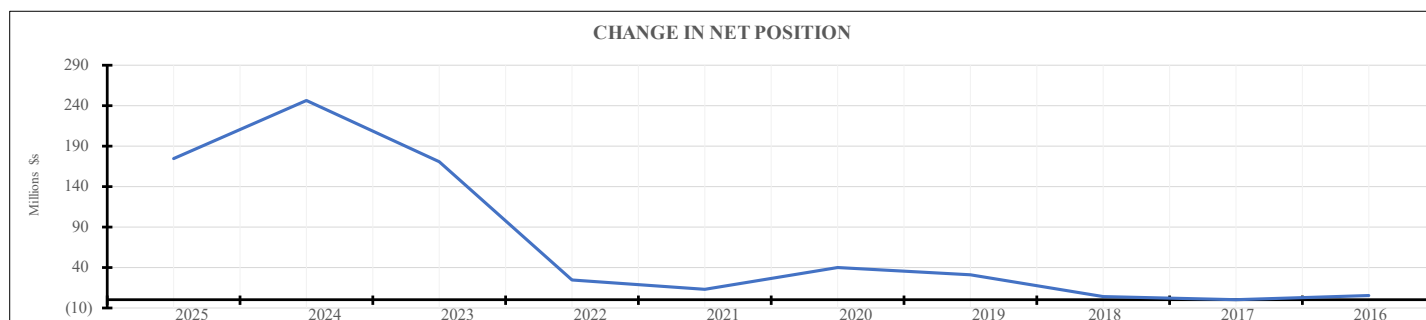
Net Position at June 30, 2025-2016

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assets										
Current Assets										
Cash and cash equivalents										
Unrestricted	\$ 5,468,794	\$ 13,565,406	\$ 9,702,573	\$ 8,087,684	\$ 15,719,468	\$ 16,168,066	\$ 28,057,865	\$ 23,271,873	\$ 22,761,512	\$ 15,433,532
Restricted	362,254,831	504,607,622	443,017,120	409,083,722	401,582,399	320,578,471	265,510,263	237,742,689	218,397,691	135,135,587
Interest receivable	13,428,391	14,056,235	9,854,087	7,705,467	8,143,531	9,248,674	8,643,830	7,952,079	5,370,899	8,505,073
Grants and other receivables	13,432,424	1,966,143	1,151,306	729,308	1,192,162	744,725	21,293	358,508	13,271	890,213
Prepaid Expenses	-	-	-	129,929	556,059	638,132	162,281	19,500	19,500	19,500
Administrative fees receivable	1,066,576	1,131,904	1,192,702	1,200,005	674,279	868,179	2,041,713	2,106,456	445,996	190,938
Loans receivable, net of allowance	236,086,834	207,533,859	186,470,632	161,115,169	162,737,968	141,334,892	164,921,253	148,575,374	115,007,192	103,129,270
Total current assets	631,737,850	742,861,169	651,388,420	588,051,284	590,605,866	489,581,139	469,358,498	420,026,479	362,016,061	263,304,113
Non-current assets										
Restricted and unrestricted investments	1,023,028,457	705,473,972	575,245,571	526,516,294	515,364,555	369,252,126	408,804,383	361,758,979	385,451,491	332,151,402
Loans receivable, net of allowance	1,785,087,293	1,805,792,459	1,773,497,849	1,753,633,325	1,618,807,156	1,583,144,346	1,477,364,288	1,399,561,290	1,375,061,044	1,248,615,416
Limited partnership investment	8,328,581	1,752,624	-	-	-	-	-	-	-	-
Net capital assets ¹	16,067,634	8,344,147	6,158,593	2,881,807	1,863,831	1,339,799	1,054,119	699,649	616,594	278,916
Net deferred cost ¹	-	-	-	-	-	-	-	-	-	-
Total Assets	3,464,249,815	3,264,224,371	3,006,290,433	2,871,082,710	2,726,641,408	2,443,317,410	2,356,581,288	2,182,046,397	2,123,145,190	1,844,349,847
Deferred Outflows of Resources										
Deferred loss on refunding	443,554	493,576	543,598	593,621	643,643	693,665	743,687	793,710	843,732	823,233
Total Deferred Outflows of Resources	443,554	493,576	543,598	593,621	643,643	693,665	743,687	793,710	843,732	823,233
Liabilities										
Current Liabilities										
Accounts payable	591,071	952,064	516,975	176,087	461,669	455,273	406,729	353,917	302,821	307,297
Accrued payroll	234,797	228,818	215,128	164,019	318,300	262,445	209,802	233,251	243,439	176,438
Compensated absences	1,721,755	1,000,048	832,502	775,522	683,066	526,988	461,476	421,635	328,848	332,213
Funds held for others	-	-	-	-	-	-	-	-	-	-
Bond interest payable	4,938,078	4,594,681	4,244,481	4,064,664	3,834,988	7,942,372	4,072,142	3,960,649	4,183,050	3,525,287
Undisbursed loan proceeds	449,091,474	417,774,543	392,847,578	347,723,364	307,626,399	320,840,186	289,941,611	267,191,118	226,600,234	135,624,986
Advanced loan payments	113,426,277	101,280,382	93,771,569	91,620,716	88,002,415	89,526,221	96,202,732	86,386,698	86,308,780	83,008,008
Line of credit	-	-	-	-	-	-	-	-	-	-
Bonds payable, net	142,685,000	142,110,000	126,440,000	118,700,000	118,040,000	116,270,000	117,215,000	101,240,000	123,840,000	78,040,000
SIC payable, current	44,372,520	21,161,548	-	-	-	-	-	-	-	-
Lease and SBITA liabilities, current	38,897	530,537	608,068	489,187	-	-	-	-	-	-
Other liabilities	2,798,553	3,117,500	100,068,530	180,670,901	250,322,242	1,033,471	3,134,791	2,423,220	619,727	532,591
Total current liabilities	759,898,422	692,750,121	719,544,831	744,384,460	769,289,079	536,856,956	511,644,283	462,210,488	442,426,899	301,546,820
Non-current Liabilities										
Bonds payable	1,442,408,562	1,430,182,176	1,360,427,803	1,367,012,432	1,356,977,428	1,322,671,647	1,300,084,801	1,205,629,907	1,170,459,183	1,036,408,718
Lease and SBITA liabilities	119,828	13,964	407,560	880,946	-	-	-	-	-	-
SIC payable	50,917,885	104,424,485	134,172,461	137,983,546	-	-	-	-	-	-
Total Liabilities	2,253,344,697	2,227,370,746	2,214,552,655	2,250,261,384	2,126,266,507	1,859,528,603	1,811,729,084	1,667,840,395	1,612,886,082	1,337,955,538
Deferred Inflows of Resources										
Deferred gain on refunding	828,220	1,403,491	1,978,762	2,554,033	3,189,015	3,704,574	4,279,845	4,971,687	5,663,528	1,575,177
Total Deferred Inflows of Resources	828,220	1,403,491	1,978,762	2,554,033	3,189,015	3,704,574	4,279,845	4,971,687	5,663,528	1,575,177
Net Position										
Net investment in capital assets	15,908,909	7,799,647	6,158,593	2,881,807	1,863,832	1,339,799	1,054,119	699,649	616,594	278,916
Restricted for program commitments	1,174,462,528	991,421,013	768,225,537	598,476,868	580,246,229	563,270,033	515,633,477	492,583,687	486,992,135	495,576,466
Unrestricted	20,149,015	36,723,050	15,103,364	17,502,239	15,719,468	16,168,066	24,628,450	16,744,689	17,830,583	9,786,983
Total Net Position	\$ 1,210,520,452	\$ 1,035,943,710	\$ 789,487,494	\$ 618,860,914	\$ 597,829,529	\$ 580,777,898	\$ 541,316,046	\$ 510,028,025	\$ 505,439,312	\$ 505,642,365



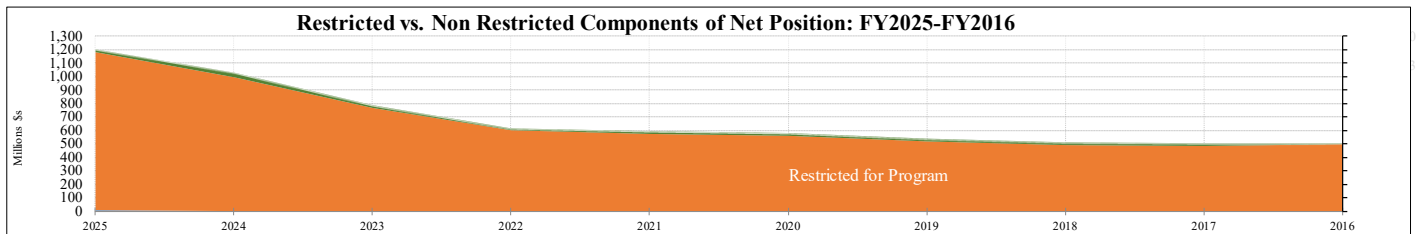
Revenue, Expenses and Changes in Net Position for Year Ending June 30, 2025-2016

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenue										
Interest on loans	\$ 58,761,213	\$ 57,597,887	\$ 50,401,598	\$ 47,851,592	\$ 51,507,874	\$ 52,792,559	\$ 51,584,322	\$ 52,732,085	\$ 47,865,124	\$ 51,736,376
Administrative fees revenue	4,245,723	6,529,028	3,147,009	7,975,365	5,535,056	6,828,344	6,396,595	5,460,694	5,701,200	7,049,654
Interest on investments net of unrealized gain	42,148,550	29,460,923	11,778,537	(2,213,157)	475,458	8,598,789	7,919,934	2,964,201	946,513	2,195,762
Total Operating Revenue	105,155,486	93,587,838	65,327,144	53,613,800	57,518,388	68,219,692	65,900,851	61,156,980	54,512,837	60,981,792
Operating Expenses										
Bond interest expense	45,786,225	48,402,902	41,695,594	43,634,059	42,455,410	50,720,720	47,690,534	45,522,536	51,088,846	45,756,069
Grants to others	120,203,834	81,097,848	72,623,125	78,473,940	128,973,973	31,480,701	34,104,721	36,143,867	51,299,208	47,888,370
Loan financing pass-through	7,788,202	7,895,276	1,997,079	10,396,391	3,488,596	10,640,130	12,943,547	7,059,254	17,476,331	21,455,228
Salaries and benefits	12,685,014	10,326,372	8,569,515	6,903,037	6,044,261	5,108,045	4,687,224	4,110,925	4,463,828	4,515,210
Bond issuance costs	1,411,717	1,458,170	1,135,857	1,109,926	1,207,923	1,243,666	1,640,333	1,971,304	2,847,995	1,525,161
Professional services	5,474,497	5,293,947	3,808,914	7,511,275	4,837,099	3,266,820	2,635,840	2,155,028	2,570,063	2,389,037
Other operating costs	2,194,099	2,542,976	1,605,911	1,804,768	1,879,902	1,412,109	1,436,180	1,412,046	1,738,495	2,047,617
Provision for loan losses	(939,755)	2,731,142	249,039	(233,644)	123,133	(294,021)	(849,582)	534,614	458,701	2,241
Interest expense	1,716,691	2,158,999	1,887,273	488,063	500,768	7,826	266,620	331,022	395,624	296,138
Depreciation and amortization expense	949,267	1,163,607	1,064,867	970,882	181,846	101,158	66,289	51,674	3,240	2,191
Total Operating Expenses	197,269,791	163,071,239	134,637,174	151,058,697	189,692,911	103,687,154	104,621,706	99,292,270	132,342,331	125,877,262
Net Operating Loss	(92,114,305)	(69,483,401)	(69,310,030)	(97,444,897)	(132,174,523)	(35,467,462)	(38,720,855)	(38,135,290)	(77,829,494)	(64,895,470)
Non-operating Revenue (Expenses)										
Appropriation revenue	129,452,422	233,628,887	169,671,017	41,396,672	37,023,150	50,326,048	42,953,352	36,463,733	34,578,969	33,127,879
Grant Revenue	34,281,475	13,091,210	53,655,679	14,128,407	10,586,129	11,599,117	11,588,018	14,138,074	8,511,355	14,255,306
Transfers from the State of New Mexico	109,972,409	84,291,999	24,926,661	74,340,158	121,934,781	19,783,240	19,865,510	26,451,664	44,943,059	42,347,680
Share of income (loss) from investments in LF	(1,127,563)	(346,273)	-	-	-	-	-	-	-	-
Limited partnership unrealized gain (loss)	24,019	(44,219)	-	-	-	-	-	-	-	-
Transfers to the State of New Mexico	(5,911,715)	(14,681,988)	(8,316,747)	(7,388,955)	(24,317,906)	(6,779,091)	(4,398,004)	(34,329,468)	(10,406,942)	(19,199,552)
Increase (Decrease) in Net Position	174,576,742	246,456,215	170,626,580	25,031,385	13,051,631	39,461,852	31,288,021	4,588,713	(203,053)	5,635,843
Net position, beginning of year	1,035,943,710	789,487,494	618,860,914	593,829,529	580,777,898	541,316,046	510,028,025	505,439,312	505,642,365	500,006,522
Net Position, End of Year	\$ 1,210,520,452	\$ 1,035,943,710	\$ 789,487,494	\$ 618,860,914	\$ 593,829,529	\$ 580,777,898	\$ 541,316,046	\$ 510,028,025	\$ 505,439,312	\$ 505,642,365



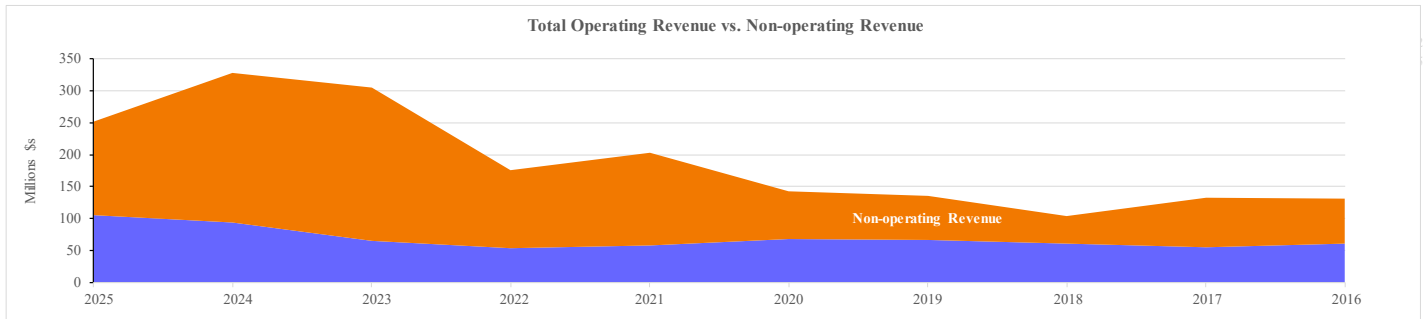
Fund Balance by Component and Fund at June 30, 2025-2016

Active Funds	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Investment in Capital Assets										
NMFA Operating Fund	\$ 15,908,909	\$ 7,799,647	\$ 6,158,593	\$ 2,881,807	\$ 1,863,832	\$ 1,339,799	\$ 1,054,119	\$ 699,649	\$ -	\$ -
Public Project Revolving Fund	-	-	-	-	-	-	-	-	616,594	244,840
All Other Funds	-	-	-	-	-	454,449	-	-	-	34,076
Subtotal	<u>15,908,909</u>	<u>7,799,647</u>	<u>6,158,593</u>	<u>2,881,807</u>	<u>1,863,832</u>	<u>1,794,248</u>	<u>1,054,119</u>	<u>699,649</u>	<u>616,594</u>	<u>278,916</u>
Restricted for Program Commitments										
NMFA Operating Fund	(5,297,410)	(946,415)	11,717,812	4,011,899	6,201,838	5,135,267	2,541,369	5,338,137	-	-
Behavioral Health Capital Fund	1,513,470	1,737,612	1,913,314	1,840,830	1,850,663	1,842,791	2,323,172	2,432,004	2,925,190	1,094
Cannabis Microbusiness Program	186,795	488,830	796,801	454,910	-	-	-	-	-	-
Charter School Facility Revolving Fund	10,770,437	10,377,559	9,947,947	-	-	-	-	-	-	-
Child Care Revolving Loan Fund	2,814,942	-	-	-	-	-	-	-	-	-
Colonias Infrastructure Fund	10,285,234	7,780,838	5,077,464	3,982,151	3,285,658	2,503,858	4,300,046	4,940,389	4,046,793	2,782,677
Drinking Water State Revolving Loan Fund	237,398,591	212,241,158	198,246,441	189,160,867	180,500,203	175,651,500	163,628,581	154,512,243	146,832,230	139,947,130
Early Childhood Stabilization Grants	-	-	(106,232)	-	-	-	-	-	-	-
Early Childhood Supply Building Grants	-	-	(16,069)	-	-	-	-	-	-	-
Smart Money	3,643,625	3,592,040	3,642,989	3,685,945	14,453,448	14,753,157	4,339,957	3,583,090	3,421,588	3,640,408
Energy Efficiency Revolving Loan Fund	5,028,211	-	-	-	-	-	-	-	-	-
Essential Services Working Capital Fund	235,103	176,050	161,754	9,888,478	-	-	-	-	-	-
Local Economic Development Act Recovery Grant Program	-	262,062	2,804,214	(143,267)	(278,002)	-	-	-	-	-
Local Government Planning Fund	4,388,622	3,644,309	2,557,006	3,548,797	3,072,580	4,200,679	4,699,576	3,733,224	6,377,731	5,259,656
Local Solar Access	(1,329)	-	-	-	-	-	-	-	-	-
New Markets Tax Credits	22,236,043	21,138,803	20,981,176	20,110,220	13,550,463	12,137,895	7,516,786	6,626,660	5,380,909	4,925,437
New Mexico Growth Fund	16,343,797	16,218,999	(12,322)	-	-	-	-	-	-	-
Opportunity Enterprise Act - Commercial	126,746,601	121,962,784	69,667,695	-	-	-	-	-	-	-
Opportunity Enterprise Act - Housing	129,666,686	124,999,050	-	-	-	-	-	-	-	-
Primary Care Capital Fund	1,018,483	1,063,843	1,358,571	1,371,391	1,368,998	8,612,737	4,489,737	5,118,055	5,087,130	5,058,321
Public Project Revolving Fund	398,751,315	350,564,773	335,856,450	312,097,596	302,624,433	284,304,933	269,660,436	252,098,185	258,208,608	281,401,983
Small Business Recovery Loan Program	(4,382,611)	(4,964,933)	(5,862,966)	(5,255,372)	(997,751)	-	-	-	-	-
State Small Business Credit Initiative	-	646,402	871,562	1,286,661	1,542,637	1,849,257	2,713,397	2,913,150	7,502,469	8,047,723
SSBCI 2.0 Capital Access	(121,421)	-	-	-	-	-	-	-	-	-
SSBCI 2.0 Loan Participation	(139,493)	-	-	-	-	-	-	-	-	-
Venture Capital Act Fund	61,631,008	50,493,470	49,518,675	-	-	-	-	-	-	-
Water Project Fund	151,745,829	69,943,779	59,103,255	52,437,975	49,071,061	51,823,510	49,250,518	51,066,117	45,552,974	43,016,131
All Other Funds (net)	-	-	-	(2,213)	-	-	169,902	222,433	1,656,513	1,495,906
Subtotal	<u>1,174,462,528</u>	<u>991,421,013</u>	<u>768,225,537</u>	<u>598,476,868</u>	<u>576,246,229</u>	<u>562,815,584</u>	<u>515,633,477</u>	<u>492,583,687</u>	<u>486,992,135</u>	<u>495,576,466</u>
Unrestricted										
NMFA Operating Fund	19,465,369	24,676,485	14,170,924	16,431,643	15,719,468	16,168,066	24,874,974	1,021,892	-	-
Behavioral Health Capital Fund	-	-	-	-	-	-	(317,795)	(358,929)	(328,119)	(287,441)
Cannabis Microbusiness Program	-	-	-	-	-	-	-	-	-	-
Charter School Facility Revolving Fund	-	-	-	-	-	-	-	-	-	-
Child Care Revolving Loan Fund	-	-	-	-	-	-	-	-	-	-
Colonias Infrastructure Fund	-	-	-	-	-	-	(2,216,284)	(3,248,237)	(2,723,617)	(2,225,804)
Drinking Water State Revolving Loan Fund	34,808	56,514	38,534	57,519	-	-	(368,099)	(297,687)	(322,101)	(224,526)
Early Childhood Stabilization Grants	-	-	-	-	-	-	-	-	-	-
Early Childhood Supply Building Grants	-	-	-	-	-	-	-	-	-	-
Economic Development Revolving Fund	-	-	-	-	-	-	(1,523,501)	(1,384,025)	(1,310,510)	(1,239,027)
Essential Services Working Capital Fund	-	-	-	-	-	-	-	-	-	-
Local Government Planning Fund	-	-	-	-	-	-	-	-	-	-
Local Solar Access	-	-	-	-	-	-	-	-	-	-
New Markets Tax Credits	405,655	393,882	441,389	437,226	-	-	1,706,839	601,023	1,225,951	422,426
New Mexico Growth Fund	-	-	-	-	-	-	-	-	-	-
Opportunity Enterprise Act - Commercial	-	-	-	-	-	-	-	-	-	-
Opportunity Enterprise Act - Housing	-	-	-	-	-	-	-	-	-	-
Primary Care Capital Fund	-	-	-	-	-	-	(5,770)	(569,089)	(541,577)	(516,710)
Public Project Revolving Fund	202,593	11,563,151	328,302	454,853	-	-	3,182,836	21,648,904	22,637,669	15,432,439
State Small Business Credit Initiative	-	-	88,974	88,974	-	-	(704,750)	(669,162)	(689,055)	(1,126,631)
SSBCI 2.0 Capital Access	-	-	-	-	-	-	-	-	-	-
SSBCI 2.0 Loan Participation	-	-	-	-	-	-	-	-	-	-
Venture Capital Act Fund	-	-	-	-	-	-	-	-	-	-
Water Project Fund	40,590	33,018	35,241	32,024	-	-	-	-	-	-
All Other Funds (net)	-	-	-	-	-	-	-	-	(118,058)	(447,743)
Subtotal	<u>20,149,015</u>	<u>36,723,050</u>	<u>15,103,364</u>	<u>17,502,239</u>	<u>15,719,468</u>	<u>16,168,066</u>	<u>24,628,450</u>	<u>16,744,690</u>	<u>17,830,583</u>	<u>9,786,983</u>
Total Fund Balance	\$ 1,210,520,452	\$ 1,035,943,710	\$ 789,487,494	\$ 618,860,914	\$ 593,829,529	\$ 580,777,898	\$ 541,316,046	\$ 510,028,026	\$ 505,439,312	\$ 505,642,365



NMFA Net Revenue by Fund

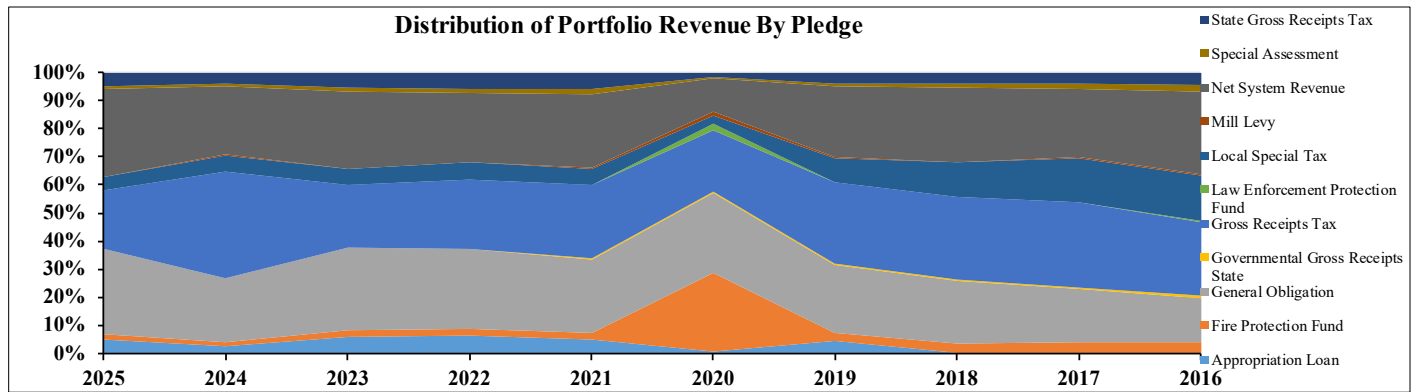
Active Funds	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenue										
NMFA Operating Fund	\$ 1,475,604	\$ 2,120,988	\$ 853,928	\$ 3,453,251	\$ 492,468	\$ 687,916	\$ 307,505	\$ 312,891	\$ -	\$ -
Behavioral Health Capital Fund	62,058	78,834	61,844	612,389	82,334	52,208	89,419	51,632	41,207	1,093
Cannabis Microbusiness Program	17,385	32,652	8,717	81	-	-	-	-	-	-
Charter School Facility Revolving Fund	508,679	454,067	(4,625)	-	-	-	-	-	-	-
Child Care Revolving Loan Fund	97,173	-	-	-	(2,089)	5,301	25,376	10,187	2,454	300
Colonias Infrastructure Fund	27,827	23,827	11,302	(191)	(2,089)	5,301	25,376	10,187	2,454	300
Coronavirus Aid, Relief and Economic Security Act	-	-	-	-	509,711	-	-	-	-	-
Drinking Water State Revolving Loan Fund	7,974,546	6,672,529	3,728,028	2,086,281	2,175,805	3,823,839	3,632,817	2,341,972	1,875,997	2,066,809
Early Childhood Education & Care Dept. Stabilization Grants	(20,069)	-	-	-	-	-	-	-	-	-
Early Childhood Education & Care Dept. Supply Building Grants	127,118	1,126,106	-	-	-	-	-	-	-	-
SMART Money	149,121	136,794	89,887	76,700	110,788	343,012	96,701	41,888	84,766	128,537
Essential Services Working Capital Fund	49,919	73,833	192,140	26,742	-	-	-	-	-	-
Local Economic Development Act Recovery Grant Program	12,568	2,022,929	2,604,873	302,664	44,452	-	-	-	-	-
Local Government Planning Fund	243,141	175,281	67,441	15,536	10,148	121,569	72,309	59,118	62,491	37,042
Local Solar Access	-	-	-	-	-	-	-	-	-	-
New Markets Tax Credits (includes FNM, LLC)	2,734,967	3,445,734	1,788,154	2,175,202	2,467,805	4,052,375	2,897,359	1,360,529	2,068,842	4,373,839
New Mexico Growth Fund	752,823	523,793	-	-	-	-	-	-	-	-
Opportunity Enterprise Act - Commercial	6,318,362	3,561,709	(31,897)	-	-	-	-	-	-	-
Opportunity Enterprise Act - Housing	5,770,209	-	-	-	-	-	-	-	-	-
Primary Care Capital Fund	35,745	55,384	37,737	28,379	48,107	253,108	131,191	95,063	95,222	99,450
Public Project Revolving Fund	70,377,816	67,369,420	53,556,439	44,229,553	49,798,087	58,097,743	57,860,166	56,494,348	49,899,236	53,399,756
Small Business Recovery Loan Program	2,159,452	2,085,656	1,842,810	390,530	1,532,940	-	-	-	-	-
State Small Business Credit Initiative	2,517	55,605	58,105	62,503	76,366	82,378	178,534	121,147	137,430	218,002
SSBCI 2.0 Capital Access	-	-	-	-	-	-	-	-	-	-
SSBCI 2.0 Loan Participation	-	-	-	-	-	-	-	-	-	-
Venture Capital Program Fund	2,448,497	2,230,788	(97,125)	-	-	-	-	-	-	-
Water Project Fund	3,830,028	1,341,909	559,386	154,180	171,466	700,110	605,573	259,360	232,583	191,607
All Other Programs	-	-	-	-	-	133	3,901	8,844	12,609	465,357
Subtotal	105,155,486	93,587,838	65,327,144	53,613,800	57,518,388	68,219,692	65,900,851	61,156,979	54,512,837	60,981,792
Non-operating Revenue										
NMFA Operating Fund	(727,362)	(298,954)	9,472,928	(2,973,049)	1,313,468	(6,047,840)	21,469,621	1,467,750	-	-
Behavioral Health Capital Fund	-	-	-	-	-	-	-	-	980,423	-
Cannabis Microbusiness Program	(131,969)	-	983,773	709,063	-	-	-	-	-	-
Charter School Facility Revolving Fund	-	-	10,000,000	-	-	-	-	-	-	-
Child Care Revolving Loan Fund	2,850,273	-	-	-	-	-	-	-	-	-
Colonias Infrastructure Fund	3,447,438	3,596,503	14,192,614	11,028,736	11,208,680	9,162,126	10,179,660	15,061,949	14,415,159	13,701,955
Coronavirus Aid, Relief and Economic Security Act	-	-	-	-	97,127,443	-	-	-	-	-
Drinking Water State Revolving Loan Fund	18,756,037	8,797,605	11,976,881	16,384,541	10,597,477	13,927,531	13,388,018	15,938,074	10,311,355	16,055,306
Early Childhood Education & Care Dept. Stabilization Grants	-	113,027	6,520,725	-	-	-	-	-	-	-
Early Childhood Education & Care Dept. Supply Building Grants	40,138	(1,008,814)	5,665,846	-	-	-	-	-	-	-
Energy Efficiency Revolving Loan Fund	5,111,603	-	-	-	-	-	-	-	-	-
SMART Money	-	-	-	(6,954,427)	2,483	12,000,000	-	-	-	-
Essential Services Working Capital Fund	131,969	-	(9,924,608)	6,245,364	-	-	-	-	-	-
Local Economic Development Act Recovery Grant Program	(270,422)	(4,294,618)	21,594,141	39,261,233	-	-	-	-	-	-
Local Government Planning Fund	874,852	1,187,889	-	2,000,000	-	410	3,000,000	-	3,000,000	3,000,000
Local Solar Access	-	-	-	-	-	-	-	-	-	-
New Markets Tax Credits (includes FNM, LLC)	-	-	-	6,000,000	(45,800)	-	(10)	-	-	(30)
New Mexico Growth Fund	-	16,337,952	-	-	-	-	-	-	-	-
Opportunity Enterprise Act - Commercial	-	49,999,737	70,000,000	-	-	-	-	-	-	-
Opportunity Enterprise Act - Housing	-	125,000,000	-	-	-	-	-	-	-	-
Primary Care Capital Fund	-	-	-	-	(7,000,000)	4,000,000	-	-	405	-
Public Project Revolving Fund	27,538,562	23,971,343	21,304,496	25,912,169	20,266,223	21,580,018	8,650,234	936,483	14,391,199	10,082,729
Small Business Recovery Loan Program	582,322	1,775,013	39,900	(2,435,444)	(20,015)	-	-	-	-	-
State Small Business Credit Initiative	(630,761)	(1,005,360)	(416,747)	(188,955)	(317,906)	(143,337)	(309,031)	(4,621,640)	-	(5,000,000)
SSBCI 2.0 Capital Access	-	-	-	-	-	-	-	-	-	-
SSBCI 2.0 Loan Participation	-	-	-	-	-	-	-	-	-	-
Venture Capital Program Fund	10,000,000	-	50,000,000	-	-	-	-	-	-	-
Water Project Fund	80,018,077	11,060,937	28,526,661	27,487,051	12,094,101	20,620,441	13,685,850	15,389,715	34,527,900	32,645,725
All Other Programs	-	-	-	-	-	(170,035)	(55,466)	(1,448,328)	-	-
Subtotal	147,590,757	235,232,260	239,936,610	122,476,282	145,226,154	74,929,314	70,008,876	42,724,003	77,626,441	70,485,685
Total Revenue	\$ 252,746,243	\$ 328,820,098	\$ 305,263,754	\$ 176,090,082	\$ 202,744,542	\$ 143,149,006	\$ 135,909,727	\$ 103,880,982	\$ 132,139,278	\$ 131,467,477



Public Project Revolving Fund by Pledged Revenue Type

Percent Distribution by Type of Pledged Revenue at June 30: 2025-2016

<u>Type of Pledge</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Appropriation Loan	5.0%	2.4%	6.0%	6.3%	4.8%	0.8%	4.2%	0.0%	0.0%	0.0%
Fire Protection Fund	2.0%	1.6%	2.4%	2.6%	2.6%	27.7%	3.2%	3.6%	3.8%	3.8%
General Obligation	30.0%	22.8%	29.1%	28.3%	26.2%	28.7%	24.2%	22.4%	19.2%	15.7%
Governmental Gross Receipts State	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.4%	0.4%	0.5%	1.3%
Gross Receipts Tax	21.0%	37.7%	22.5%	24.5%	26.3%	22.1%	28.8%	29.2%	30.3%	26.1%
Law Enforcement Protection Fund	0.0%	0.1%	0.1%	0.0%	0.0%	2.3%	0.2%	0.2%	0.2%	0.2%
Local Special Tax	5.0%	6.0%	5.5%	6.2%	5.6%	3.1%	8.6%	12.2%	15.8%	16.4%
Mill Levy	0.0%	0.2%	0.2%	0.4%	0.4%	1.0%	0.4%	0.2%	0.2%	0.3%
Net System Revenue	31.0%	24.4%	27.2%	24.3%	26.5%	11.9%	25.1%	26.3%	24.4%	29.8%
Special Assessment	1.0%	1.0%	1.5%	1.6%	1.5%	0.8%	1.1%	1.5%	1.6%	2.1%
State Gross Receipts Tax	5.0%	3.7%	5.4%	5.8%	6.0%	1.5%	3.8%	3.9%	4.1%	4.4%



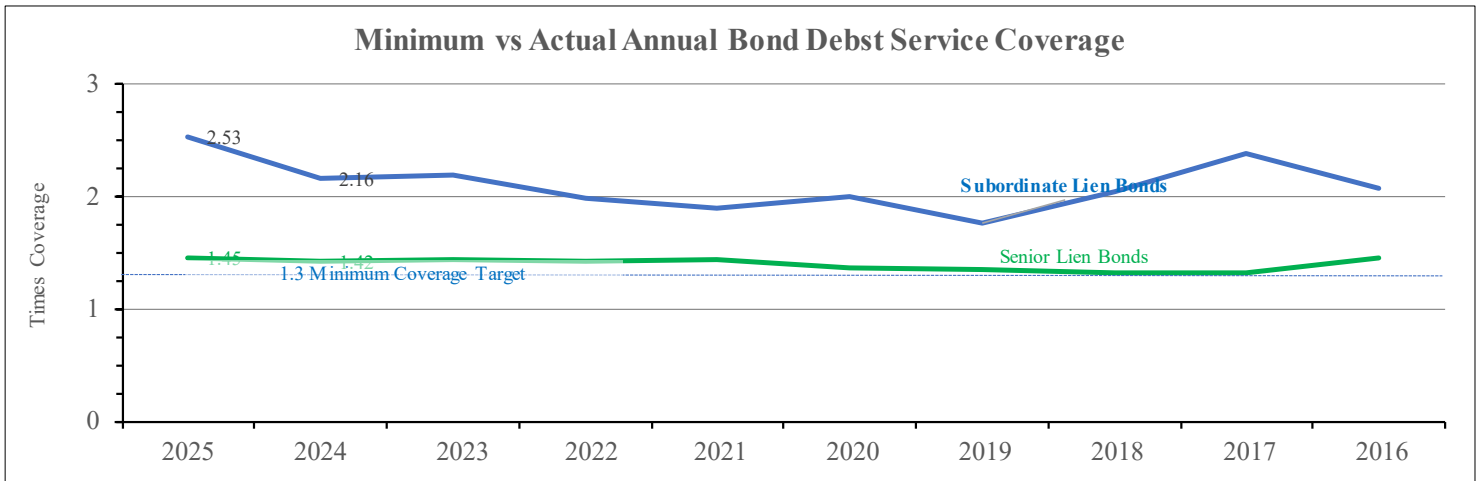
Debt Burden

Original vs. Outstanding Bond Principal at June 30, 2025

		Original	Outstanding
Consolidated All PPRF Bonds		2,310,965,000	1,395,310,000
Consolidated Senior Lien		1,665,520,000	1,062,150,000
Consolidated Sub Lien		645,445,000	333,160,000
PPRF 2025B Exempt Bonds	B – Subordinate	42,685,000	42,685,000
PPRF 2025A2 Exempt Bonds	A2 – Senior	21,790,000	19,740,000
PPRF 2025A1 Exempt Bonds	A1 – Senior	77,420,000	76,870,000
PPRF 2024B Exempt Bonds	B – Senior	45,315,000	42,315,000
PPRF 2024A Exempt Bonds	A – Subordinate	49,890,000	40,435,000
PPRF 2023B Exempt Bonds	B – Senior	162,480,000	144,365,000
PPRF 2023A2 Exempt Bonds	A2 – Senior	39,120,000	38,495,000
PPRF 2023A1 Exempt Bonds	A1 – Senior	36,655,000	27,565,000
PPRF 2022C Exempt Bonds	A – Senior	67,500,000	58,300,000
PPRF 2022B Exempt Bonds	A – Senior	53,215,000	41,490,000
PPRF 2022A Exempt Bonds	A – Senior	65,570,000	50,875,000
PPRF 2021C Exempt Bonds	C - Senior	43,610,000	31,900,000
PPRF 2021B Exempt Bonds	B – Subordinate	31,305,000	21,400,000
PPRF 2021A Exempt Bonds	A – Senior	39,535,000	23,130,000
PPRF 2020C2 Exempt Bonds	C2 – Subordinate	38,860,000	19,920,000
PPRF 2020C1 Exempt Bonds	C1 – Subordinate	57,960,000	44,200,000
PPRF 2020B Exempt Bonds	B – Senior	81,000,000	49,715,000
PPRF 2020A Exempt Bonds	A – Senior	32,305,000	18,645,000
PPRF 2019D Exempt Bonds	D – Senior	53,260,000	39,225,000
PPRF 2019C2 Taxable Bond	C2 – Subordinate	12,480,000	6,820,000
PPRF 2019C1 Exempt Bonds	C1 – Subordinate	18,930,000	11,790,000
PPRF 2019B Exempt Bonds	B – Senior	43,870,000	29,010,000
PPRF 2019A Exempt Bonds	A – Subordinate	37,145,000	24,455,000
PPRF 2018E Taxable Bonds	E – Subordinate	70,205,000	46,310,000
PPRF 2018D Exempt Bonds	D – Senior	53,310,000	22,700,000
PPRF 2018C2 Taxable Bonds	C2 – Subordinate	13,175,000	6,750,000
PPRF 2018C1 Exempt Bonds	C1 – Subordinate	19,400,000	14,115,000
PPRF 2018B Exempt Bonds	B – Senior	22,530,000	7,690,000
PPRF 2018A Exempt Bonds	A – Senior	124,330,000	71,715,000
PPRF 2017F Taxable Bonds	F – Subordinate	19,315,000	8,995,000
PPRF 2017E Exempt Bonds	E – Senior	40,190,000	20,245,000
PPRF 2017D Exempt Bonds	D – Subordinate	41,395,000	12,905,000
PPRF 2017C Exempt Bonds	C – Senior	37,675,000	11,360,000
PPRF 2017B Exempt Bonds	B – Subordinate	68,015,000	3,185,000
PPRF 2017A Exempt Bonds	A – Senior	60,265,000	34,520,000
PPRF 2016F Exempt Bonds	F – Senior	38,575,000	16,820,000
PPRF 2016E Exempt Bonds	E – Senior	40,870,000	6,695,000
PPRF 2016D Exempt Bonds	D – Senior	116,485,000	54,425,000
PPRF 2016C Exempt Bonds	C – Senior	67,540,000	51,845,000
PPRF 2016A Exempt Bonds	A – Senior	52,070,000	11,110,000
PPRF 2015D Exempt Bonds	D – Subordinate	29,355,000	8,165,000
PPRF 2015C Exempt Bonds	C – Senior	45,475,000	40,945,000
PPRF 2015B Exempt Bonds	B – Senior	45,325,000	20,440,000
PPRF 2015A Exempt Bonds	A – Subordinate	63,390,000	21,030,000
PPRF 2014B Exempt Bonds	B – Senior	58,235,000	-
PPRF 2014A Taxable Bonds	A2 – Subordinate	16,805,000	-
PPRF 2014A Exempt Bonds	A1 – Subordinate	15,135,000	-

PPRF Senior and Subordinate Lien Debt Service Coverage

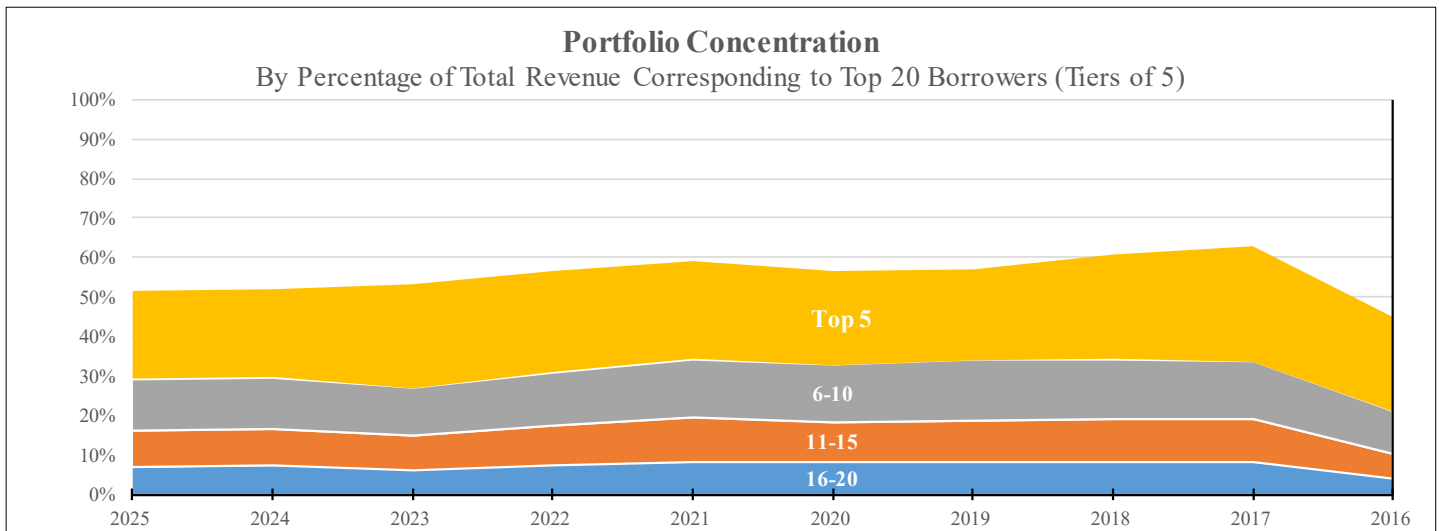
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Senior Lien Bonds										
Annual Coverage at June 30	1.45	1.42	1.44	1.42	1.44	1.37	1.35	1.32	1.32	1.46
Subordinate Lien Bonds										
Annual Coverage at June 30	2.53	2.16	2.20	1.99	1.90	2.00	1.77	2.04	2.39	2.08



Public Project Revolving Fund Concentration

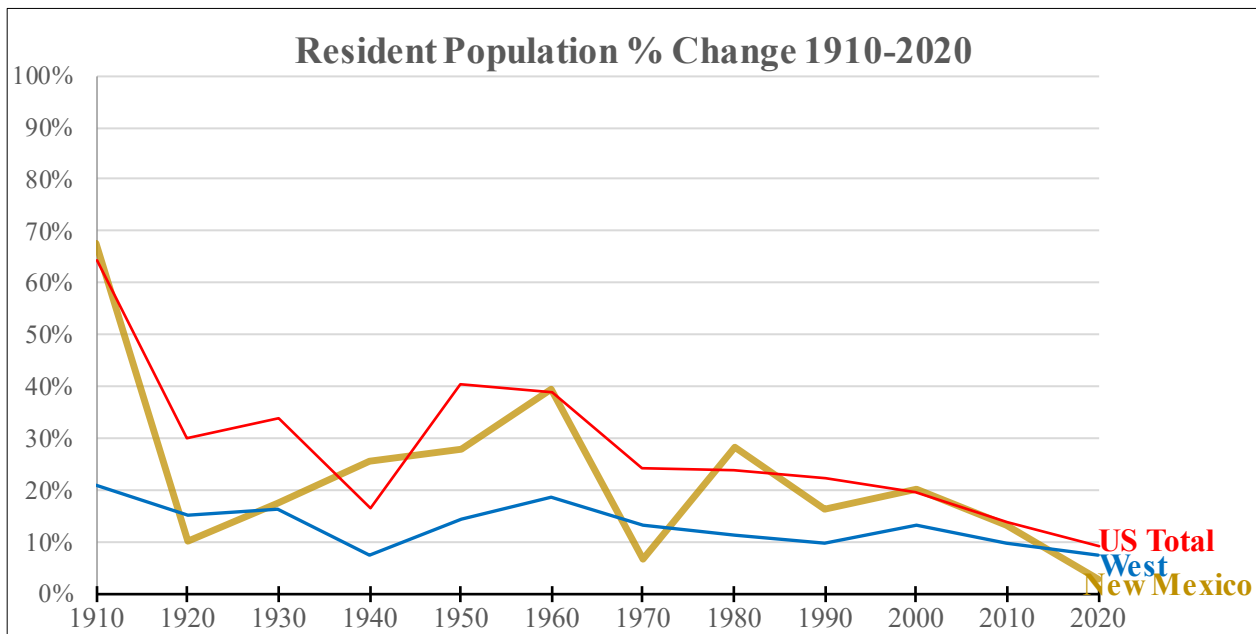
Distribution of Portfolio Revenue Among the Top 20 Borrowers at June 30: FY2025-2016

Top 4 Tiers of Borrowers	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Top 5	21.9%	23.8%	22.3%	22.4%	26.4%	25.7%	24.6%	23.9%	23.1%	26.3%
6 to 10	14.1%	12.8%	12.9%	12.9%	12.1%	13.5%	14.7%	14.3%	15.2%	15.1%
11 to 15	10.2%	9.2%	9.4%	9.5%	8.6%	9.9%	11.5%	10.3%	10.7%	11.2%
16 to 20	6.9%	6.9%	7.0%	7.2%	6.3%	7.5%	8.2%	8.2%	8.2%	8.0%
Remainder of Portfolio	46.9%	47.3%	48.4%	48.0%	46.6%	43.4%	41.0%	43.3%	42.8%	39.4%



New Mexico Resident Population

	New Mexico Population	United States Population
1910	327,301	92,228,531
1920	360,350	106,021,568
1930	423,317	123,202,660
1940	531,818	132,165,129
1950	681,187	151,325,798
1960	951,023	179,323,175
1970	1,016,000	203,211,926
1980	1,302,894	226,545,805
1990	1,515,069	248,709,873
2000	1,819,046	281,421,906
2010	2,059,179	308,745,538
2020	2,117,522	331,449,281



Note: Estimated population as of December 22, 2021 was 2,115,877

Census.gov

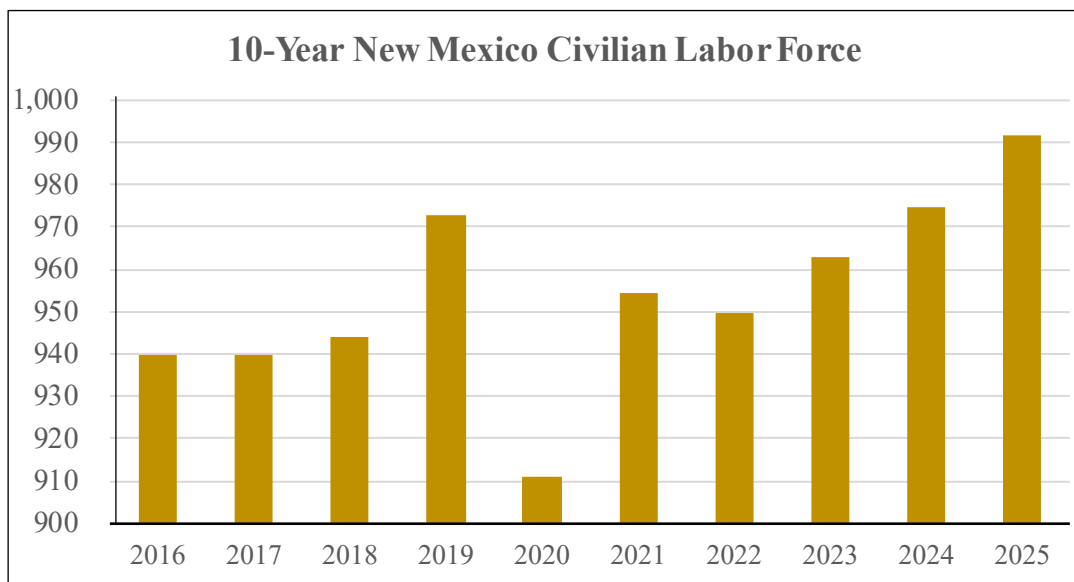
Link: <https://www.census.gov/data/tables/time-series/dec/popchange-data-text.html>

US Census Bureau

Updated: Dec 22, 2021

Civilian Labor Force in New Mexico Persons, Not Seasonally Adjusted

Observation Date (July 1)	Civilian Labor Force
2025	991,594
2024	974,627
2023	962,816
2022	949,565
2021	954,356
2020	911,029
2019	973,041
2018	944,247
2017	939,847
2016	939,676

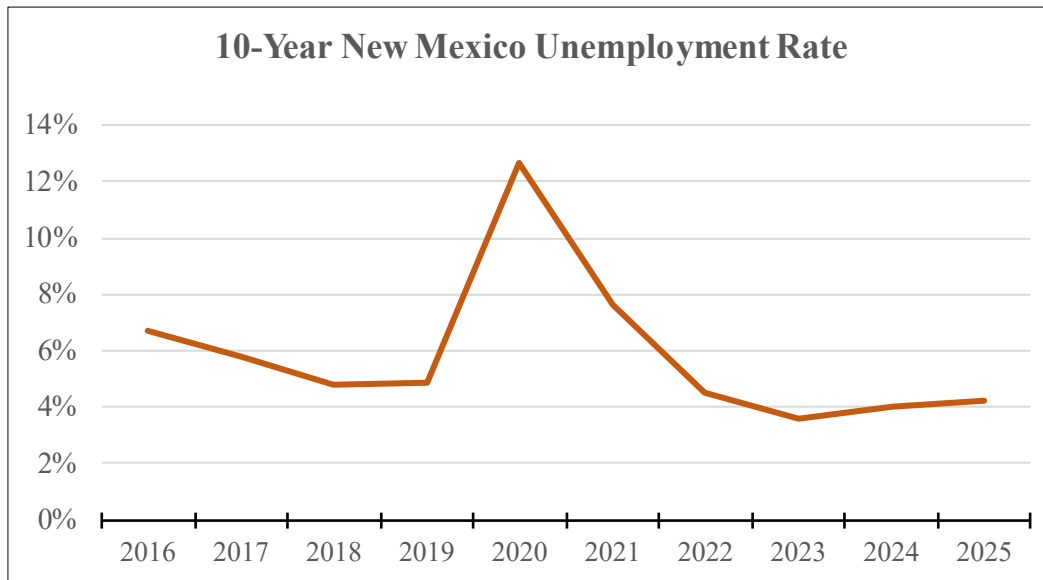


Federal Reserve Economic Data (FRED)
 Link: <https://fred.stlouisfed.org/series/NMLF>
 Federal Reserve Bank of St. Louis
 Updated: Aug 2025

Unemployment Rate in New Mexico

Percent, Monthly, Seasonally Adjusted

<u>Observation</u> <u>Date (July 1)</u>	<u>% Unemployed</u>
2025	4.2%
2024	4.0%
2023	3.6%
2022	4.5%
2021	7.6%
2020	12.7%
2019	4.9%
2018	4.8%
2017	5.8%
2016	6.7%

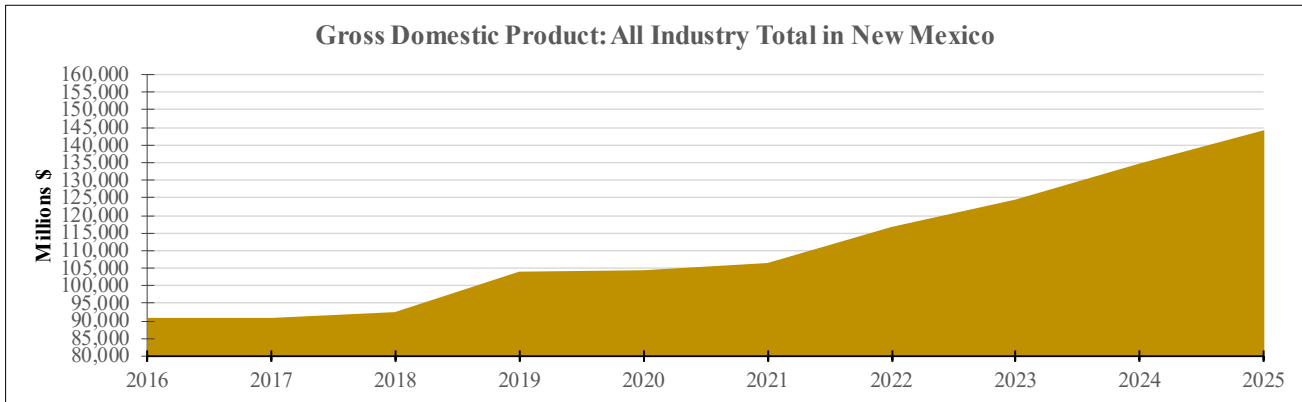


Federal Reserve Economic Data (FRED)
 Link: <https://fred.stlouisfed.org/series/NMUR>
 Federal Reserve Bank of St. Louis
 Updated: Aug 2025

Gross Domestic Product: All Industry Total in New Mexico

Millions \$s of Dollars, Annual, Seasonally Adjusted

Observation Date (January 1)	GDP Millions \$s
2025	144,377
2024	134,935
2023	124,480
2022	116,735
2021	106,380
2020	104,462
2019	104,001
2018	92,591
2017	90,989
2016	90,970



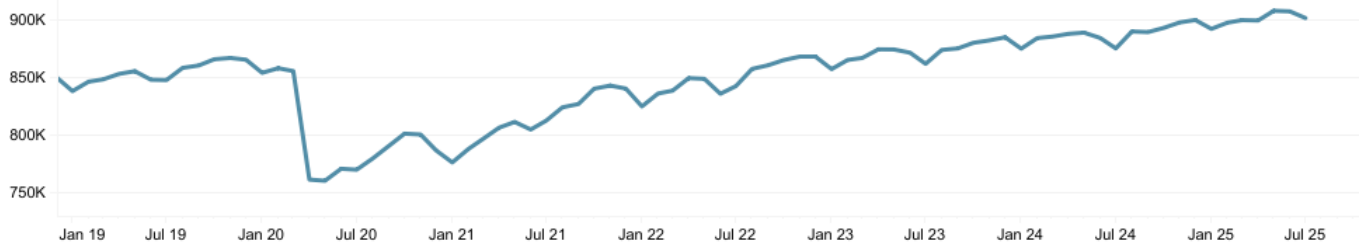
Link: <https://fred.stlouisfed.org/series/NMNOGSP>

Economic Research Division

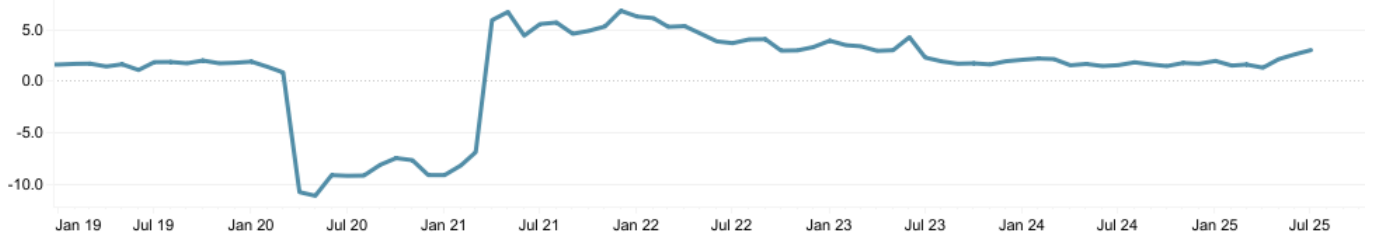
Federal Reserve Bank of St. Louis

Updated: Jun 2025

New Mexico Historical Total Nonfarm Employment



New Mexico Historical Total Nonfarm Over-the-Year Job Growth (%)



New Mexico Department of Workforce Solutions

Link: <https://www.dws.state.nm.us/en-us/Researchers/Data/Employment-Industry>

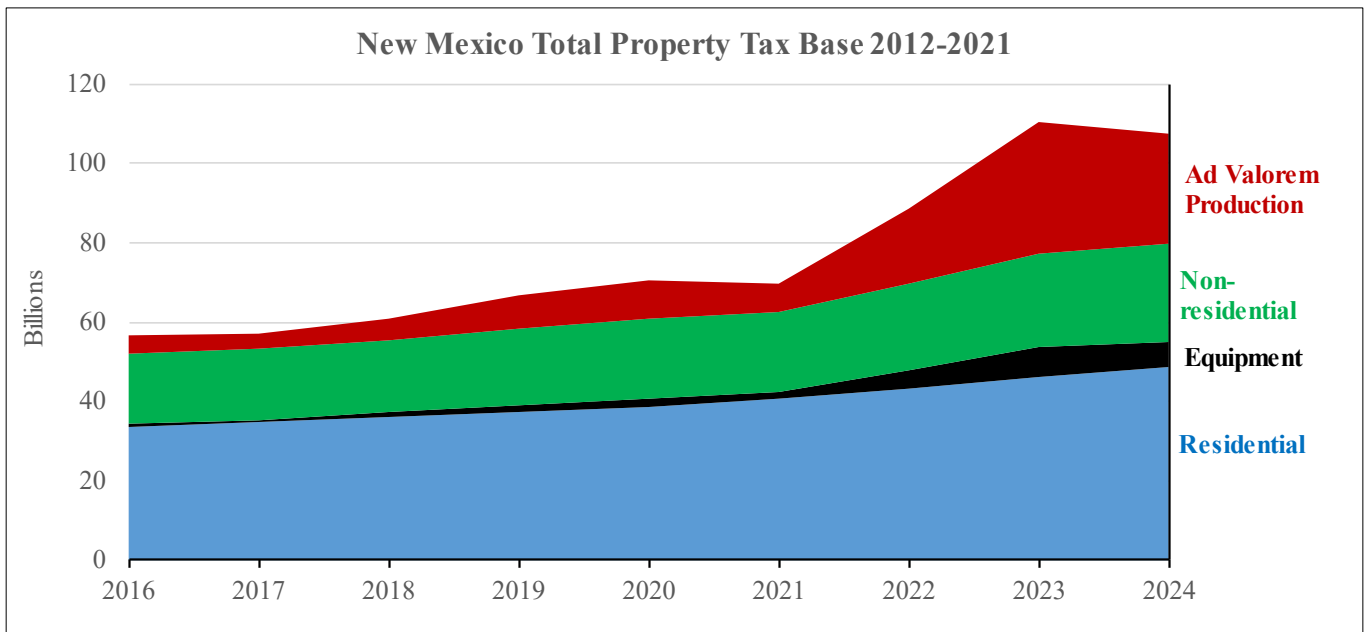
US Bureau of Labor Statistics

Updated: July 2025



Net Taxable Value for Property Tax Purposes

Tax Year	Ad Valorem				Total
	Residential	Nonresidential	Production	Equipment	
2024	48,707,520,708	24,952,113,003	27,567,557,930	6,317,656,146	107,544,847,787
2023	46,121,555,860	23,335,221,083	33,168,245,737	7,785,758,925	110,410,781,605
2022	43,214,986,015	22,139,100,207	18,619,535,885	4,543,940,519	88,517,562,626
2021	40,681,145,876	19,949,742,925	7,431,096,748	1,736,831,292	69,798,816,841
2020	38,671,443,095	20,119,885,086	9,569,179,702	2,110,532,356	70,471,040,239
2019	37,271,533,189	19,012,390,512	8,372,712,631	1,904,105,905	66,560,742,237
2018	35,934,821,015	18,226,388,446	5,313,419,682	1,224,319,528	60,698,948,671
2017	34,681,545,958	17,912,620,169	3,836,399,452	742,949,817	57,173,515,396
2016	33,420,866,558	17,996,733,566	4,373,599,405	833,971,811	56,625,171,340



Local Govt. Division Budget and Finance Bureau: [Property Tax Facts for Tax Year 2024](#)

Link: <https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/property-tax-facts/>

NM Dept Finance & Administration

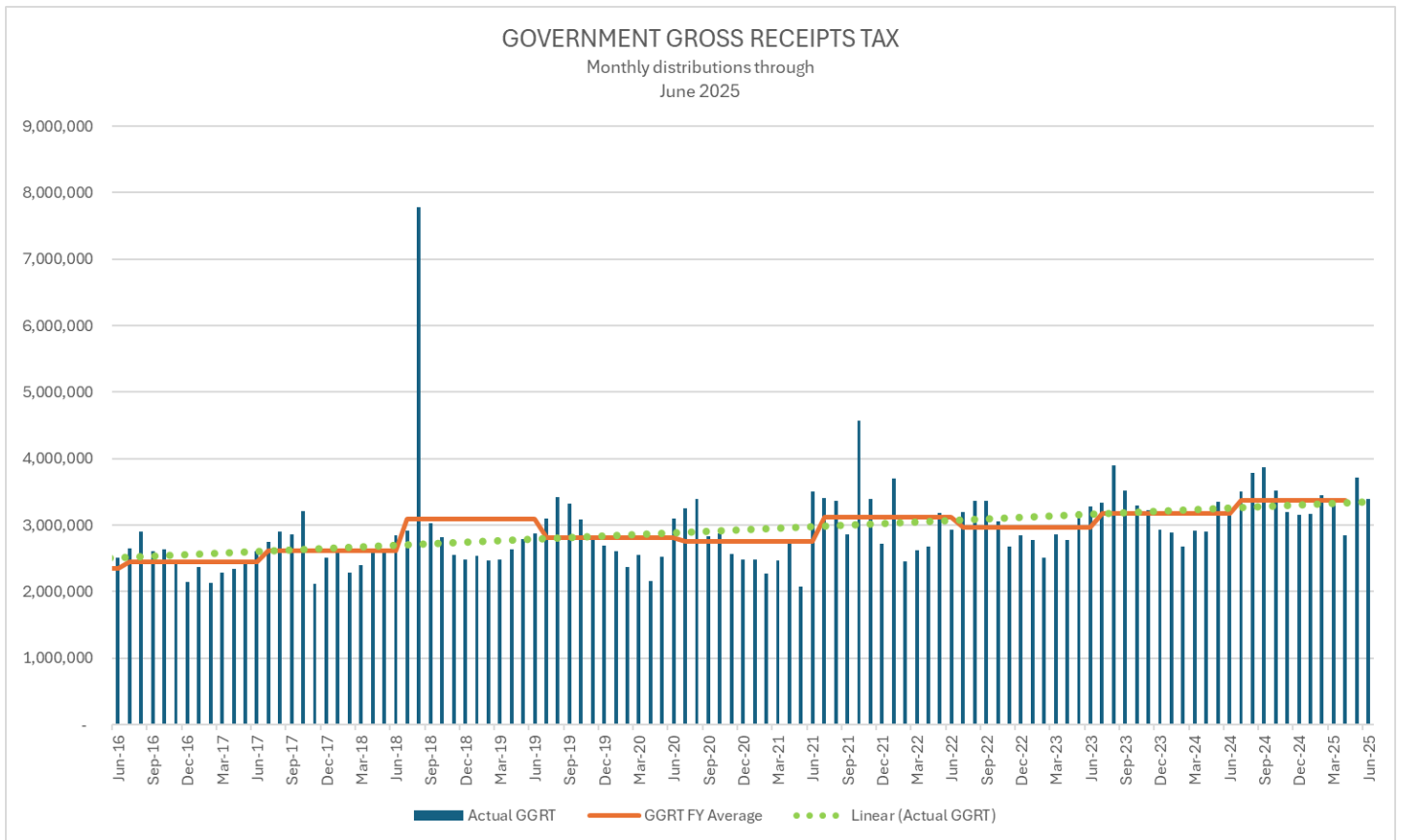
Updated: 2024

**Other
Information
(Unaudited)**



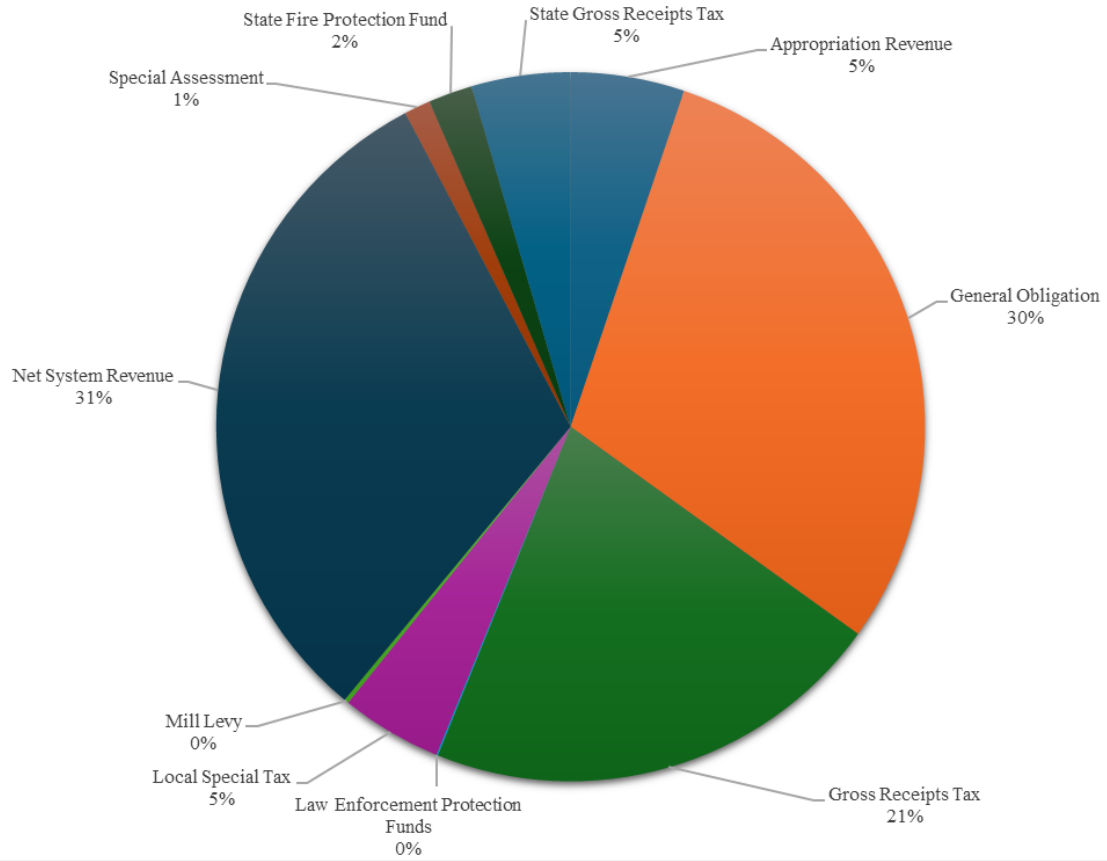
GOVERNMENT GROSS RECEIPTS TAX

Monthly Distributions Through June 30, 2025

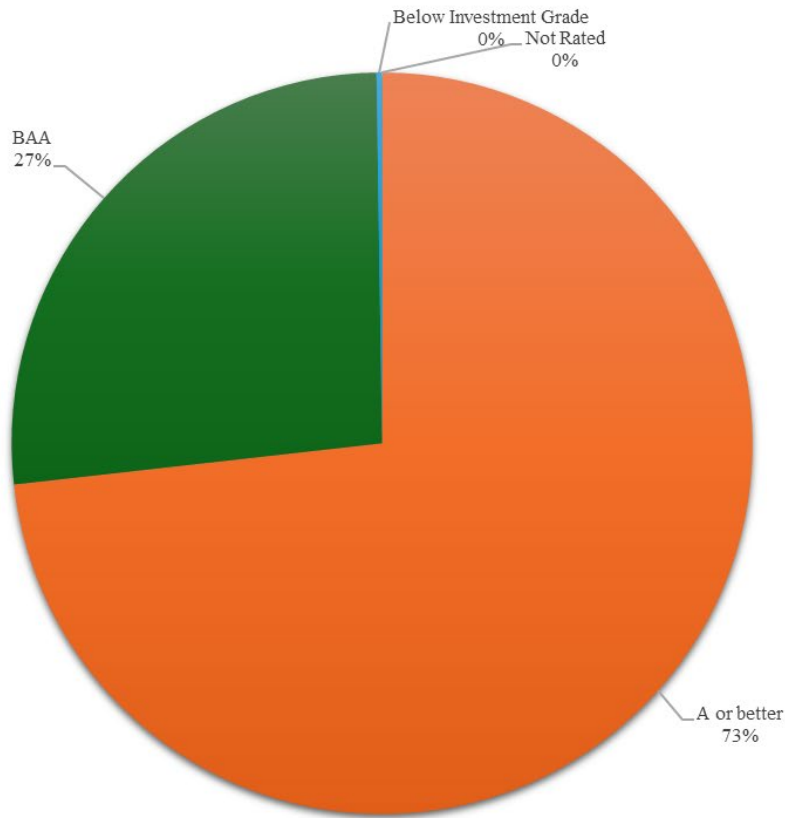


PPRF Loan Portfolio by Pledge

PPRF Loans Outstanding = \$1,778,133,859
as of 6/30/2025

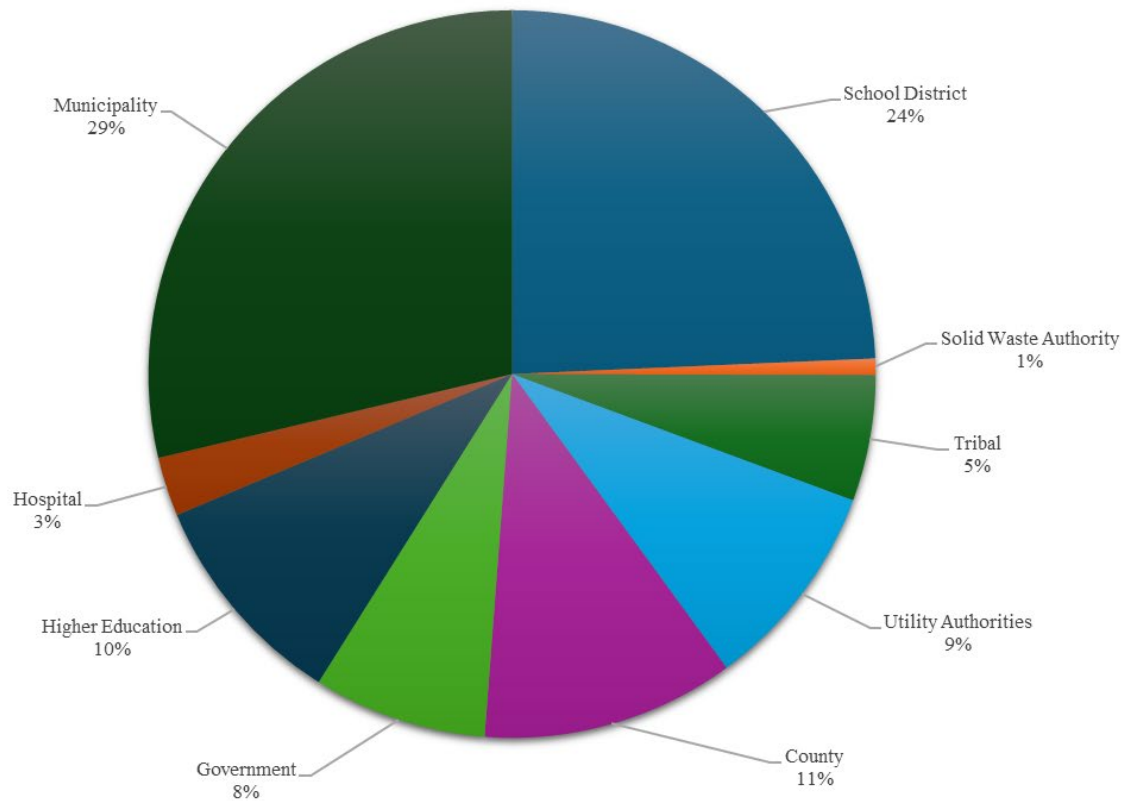


PPRF Loan Portfolio by Moody's Rating as of 6/30/2025

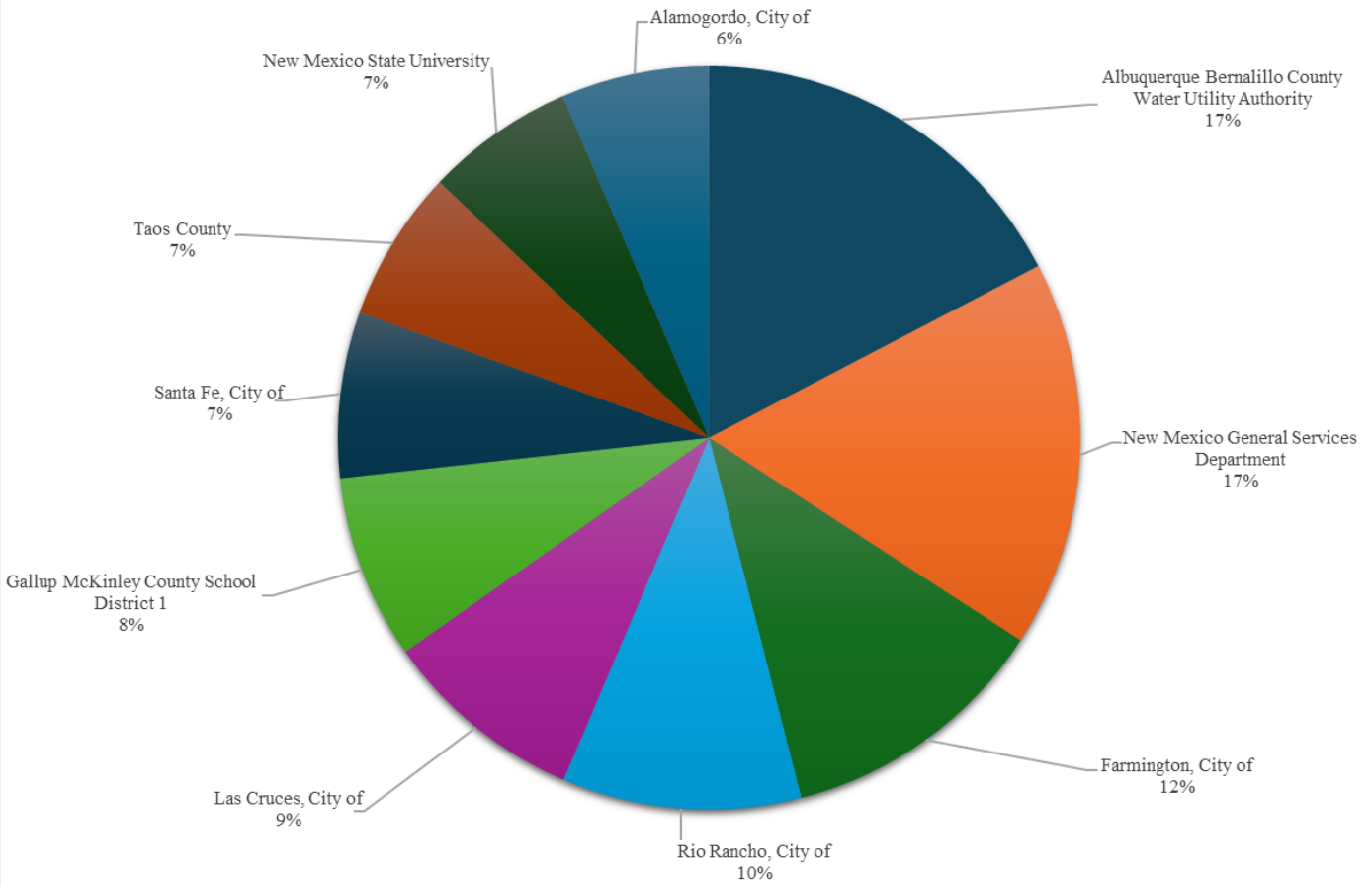


PPRF Loan Portfolio by Client Type

PPRF Loans Outstanding = \$1,778,133,859
as of 6/30/25



PPRF Loan Portfolio Top Ten Borrowers as of 6/30/2025



NEW MEXICO FINANCE AUTHORITY
EXIT CONFERENCE
JUNE 30, 2025

An exit conference was conducted on September 25, 2025, in which the contents of this report were discussed. The following individuals attended this meeting:

New Mexico Finance Authority:

Marquita D. Russel, CEO
Fernando Martinez, Jr. Deputy Director
Oscar S. Rodriguez, CFO
Kathy Keith, NMFA Board Chair
Martin Suazo, NMFA Board Vice Chair
Andrew Burke, NMFA Board Member
Sam Collins, Designee for Secretary, NM Economic Development Dept.
Joy Esparsen, Executive Director, New Mexico Counties
Teresa Costantinidis, Executive Vice President for Finance & Administration, UNM
Alison Nichols, Designee for Executive Director, NM Municipal League
Kelsey Rader, Designee for Secretary, NM Environment Department
Benjamin Shelton, Designee for Secretary Designate, NM Energy, Mineral & Natural Resources
Marcos Trujillo, Designee for Secretary, NM Dept. of Finance & Administration
Ronald Lovato, Public Member
Mark Chaiken, General Counsel
Bryan Otero, Chief Risk Officer
John Brooks, Chief of Programs
Erika Falance, Board Administration Manager
Arielle Lansdell, Board Administrator
Mark Lovato, Treasurer
Norman Vuylsteke, Controller
Joanne Johnson, Accounting Manager
Maria Ruelas, Senior Accountant

Jaramillo Accounting Group LLC (JAG):

Audrey Jaramillo, Managing Partner, Jaramillo Accounting Group LLC
Scott Eliason, Partner, Jaramillo Accounting Group LLC
Justin Mehnert, Audit Manager, Jaramillo Accounting Group LLC
Luis Garibay, Audit Senior, Jaramillo Accounting Group LLC