



**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC EMPLOYEE LABOR  
RELATIONS BOARD**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2024**

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**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**INDEPENDENT AUDITOR'S REPORT**  
**AND FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2024**  
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**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**OFFICIAL ROSTER  
As of June 30, 2024**

**Governing Board**

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<b>Name</b>	<b>Position</b>
Peggy Nelson	Board Chair
Mark Myers	Vice-Chair
Hon. Nan G. Nash	Board Member

**Administrative Officers**

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<b>Name</b>	<b>Position</b>
Thomas Griego	Executive Director
Matthew Huchmala	Executive Administrative Assistant
Tanya Montoya-Ramirez	Chief Financial Officer



**INDEPENDENT AUDITOR’S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Governing Board of Directors and Thomas J. Griego, Executive Director of the  
State of New Mexico Public Employee Labor Relations Board

and

Mr. Joseph Maestas, P.E., New Mexico State Auditor

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the major fund, the budgetary comparison of the general fund of the State of New Mexico Public Employee Labor Relations Board (the Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Board as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 the Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matters****Financial Statements**

As discussed in Note 1, the financial statements of the Board are intended to present the financial position and the changes in financial position and budgetary comparison of only that portion of the financial reporting entity of the State of New Mexico that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of the State of New Mexico, as of June 30, 2024, and the changes in its financial position and budgetary comparison for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, the Board has adopted the new accounting guidance *GASB 100, Accounting Changes and Error Corrections*, which is required for adoption for all fiscal years beginning subsequent to June 15, 2023. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board'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 generally accepted 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 the Board'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 the Board's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Government Accounting Standards Board*, which 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.

#### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The schedules, listed as other supplementary information and required by Section 2.2.2 NMAC, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules, listed as other supplementary information, in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules were fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 08, 2024, on our consideration of the Board'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* in considering the Board's internal control over financial reporting and compliance.

*Hinkle & Landers, P.C.*

Hinkle + Landers, P.C.

Albuquerque, NM

October 08, 2024

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

**BASIC FINANCIAL STATEMENTS**

Financial data presented in these financial statements is for the activities of the New Mexico Public Employee Labor Relations Board as a single agency. It does not purport to represent the State of New Mexico as a whole.

All of the Board's basic services are reported in a governmental fund, which focuses largely on the establishment of an appropriation by the State Legislature and the expenditure of this money in accordance with a budget. General Fund appropriations not expended or encumbered at year-end revert to the general fund. This fund reports using an accounting method called modified accrual accounting, which measures cash and cash equivalents, and other financial assets that can readily be converted to cash and cash equivalents. The differences between governmental activities and the governmental fund are reconciled on the face of the financial statements.

The Board implemented the provisions of GASB 34., which includes a Management's Discussion and Analysis (MD&A).

The MD&A provides an objective analysis of the Board's financial activities based on currently known facts, decisions, or conditions. It offers an analysis of the Board's overall financial position and results of operations to assist users in assessing whether the financial position of the Board has improved as a result of the year's activities. Additionally, it provides an analysis of significant changes that have occurred in funds and significant budget variances. It should be read in conjunction with the financial statements as listed, in the table of contents.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

**Government-Wide Financial Statements**

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Board and consist of a statement of net position and a statement of activities. These statements report all of the Board's assets, liabilities, revenues, expenses, and gains and losses. The Board did not have any business-type activities during the year ended June 30, 2024.

**Fund Financial Statements**

The fund financial statements are also presented. The emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column. Due to the Board's fund structure, the only active individual governmental fund is the General Fund, which has been classified as a major fund. The Board has no non-major funds.

**Notes to the Financial Statements**

The notes to the financial statements consist of disclosures that provide information essential to a user's understanding of the Board's basic financial statements.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

**Condensed financial information comparing the current year to prior year:**

	Statement of Net Position			
	2024	2023	Change	% Change
<b>Assets</b>				
Interest in SGFIP and Cash	\$ 22,622	20,309	2,313	11%
Total assets	<u>\$ 22,622</u>	<u>20,309</u>	<u>2,313</u>	<u>11%</u>
<b>Current liabilities</b>				
Accounts payable	\$ 5,508	3,432	2,076	60%
Accrued payroll	3,872	3,635	237	7%
Compensated absences - current	<u>8,291</u>	<u>4,210</u>	<u>4,081</u>	<u>97%</u>
Total current liabilities	17,671	11,277	6,394	164%
<b>Noncurrent liabilities</b>				
Compensated absences payable expected to be paid after one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total liabilities	17,671	11,277	6,394	57%
<b>Net position</b>				
Restricted	13,242	13,242	-	100%
Unrestricted (deficit)	<u>(8,291)</u>	<u>(4,210)</u>	<u>(4,081)</u>	<u>97%</u>
Total net position	4,951	9,032	(4,081)	-45.18%
Total net position and liabilities	<u>\$ 22,622</u>	<u>20,309</u>	<u>2,313</u>	<u>11%</u>

**The Board's net position decreased by \$4,081 from 2023 to 2024.**

	Statement of Activities			
	2024	2023	Change	% Change
<b>Revenues</b>				
General fund appropriation	\$ 273,500	255,100	18,400	7%
Special appropriation	-	-	-	100%
Other financing sources	11,800	12,400	(600)	-5%
Reversion to state general fund	<u>(9,546)</u>	<u>(5,122)</u>	<u>(4,424)</u>	<u>86%</u>
Total revenues	275,754	262,378	13,376	5%
<b>Expenses</b>				
General government	(279,835)	(267,897)	(11,938)	4%
Change in net position	(4,081)	(5,519)	1,438	-26%
Net position - beginning of year	9,032	14,551	(5,519)	-38%
Net position - end of year	<u>\$ 4,951</u>	<u>9,032</u>	<u>(4,081)</u>	<u>-45%</u>

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

In FY 2024, the Board had the following expenditures from the General Fund as follows:

**FY 2024 GENERAL FUND EXPENDITURES**

DESCRIPTION	AMOUNT	PERCENTAGE
Employee Compensation	150,839.74	54.7%
Employee Benefits & Taxes	50,864.60	18.4%
Employee/Board Training & Licensing	614.05	0.2%
Employees Meals and Travel	5,367.60	1.9%
Contractual Services	23,406.52	8.5%
Rent, Telecom, IT & Overhead	42,888.03	15.6%
Equipment, Supplies & Postage	1,773.26	0.6%
<b>Total</b>	<b>275,753.80</b>	<b>100.0%</b>

**Analysis of balances and transactions on a fund basis:**

The Board operates one governmental fund, in which all activity related to the Board is recorded. The financial statements, beginning as noted on the table of contents present the financial position and results of operations for the governmental fund. All appropriations are from annual appropriations by the New Mexico State Legislature.

**Significant variances between the Board's original budget, final budget, and actual expenditures:**

For FY 2024, the State Legislature appropriated \$273,500 to the Board. from the state general fund. The Board's General Fund expenditures totaled \$285,300 (included in that expenditure is the reversion of \$9,546). This unexpended amount was reverted to the State General Fund.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

**Activity relating to the Board's capital assets and long-term obligations during the year:**

The Board's long-term obligation as of June 30, 2024, in the amount of \$8,291, represents the estimated future cost of compensated absences that will be funded and paid from future appropriations. Compensated absences represent the amount of accrued but unused vacation and sick time, at current rates to be paid from future appropriations.

The Board presently has no capital assets and has not had any since its inception.

This financial report is designed to provide citizens, taxpayers, legislators, and other interested parties with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

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Executive Director  
State of New Mexico  
Public Employee Labor Relations Board  
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Albuquerque, NM 87120  
(505) 831-5422

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**STATEMENT OF NET POSITION—GOVERNMENTAL ACTIVITIES**  
**As of June 30, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Investments in state general fund investment pool	\$ 22,622
Total current assets	<u>22,622</u>
Total assets	<u><u>\$ 22,622</u></u>
 <b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 5,508
Accrued payroll and taxes	3,872
Compensated absences payable - expected to be paid within one year	8,291
Due to state general fund	-
Total current liabilities	<u>17,671</u>
 <b>Noncurrent liabilities</b>	
Compensated absences payable - expected to be paid after one year	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	17,671
 <b>NET POSITION</b>	
Restricted for specific purposes	13,242
Unrestricted (deficit)	<u>(8,291)</u>
Total net position	<u>4,951</u>
Total net position and liabilities	<u><u>\$ 22,622</u></u>

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**STATEMENT OF ACTIVITIES—GOVERNMENTAL ACTIVITIES**  
**For The Year Ended June 30, 2024**

	<u>Governmental Activities</u>
<b>EXPENSES</b>	
General government	
Administrative services	\$ (205,785)
Contractual services	(23,407)
Other costs	<u>(50,643)</u>
Net program (expense)/revenue and change in net position	(279,835)
 <b>GENERAL REVENUES AND TRANSFERS</b>	
State general fund appropriations FY 24	273,500
State special appropriation FY 24	-
Other financing sources	11,800
Reversion to state general fund	<u>(9,546)</u>
Total general revenues (expenses)	<u>275,754</u>
 <b>Change in Net Position</b>	 (4,081)
 Net position, beginning of year	 <u>9,032</u>
Net position, end of year	<u>\$ 4,951</u>

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**BALANCE SHEET—GOVERNMENTAL FUND**  
**As of June 30, 2024**

	(84800) General Fund
<b>ASSETS</b>	
Investments in state general fund investment pool	\$ 22,622
Total assets	<u>\$ 22,622</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Accounts payable	\$ 5,508
Accrued payroll and taxes	3,872
Due to state general fund	-
Total liabilities	<u>9,380</u>
<b>FUND BALANCES</b>	
Restricted for specific purposes	13,242
Unassigned	-
Total fund balances	<u>13,242</u>
Total liabilities and fund balances	<u>\$ 22,622</u>
 <b>Reconciliation of the Governmental Fund Balance To The Statement of Net Position</b>	
Total fund balances - Governmental Funds	\$ 13,242
 Amounts reported for governmental activities in the Statement of Net Assets are different at June 30, because:	
 Long-term obligation reported as accrued compensated absences is not due and payable in the current period, and, therefore, are not reported in the funds	
Compensated absences	(8,291)
Rounding	-
Net position of governmental activities	<u>\$ 4,951</u>

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES FUND BALANCE – GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2024**

	(84800)
	General
	<u>Fund</u>
<b>EXPENDITURES</b>	
<b>Current</b>	
General government:	
Administrative services	\$ 201,704
Contractual services	23,407
Other costs	<u>50,643</u>
Total expenditures	<u>275,754</u>
Excess (deficiency) of revenues over expenditures	(275,754)
<b>OTHER FINANCIAL SOURCES (USES)</b>	
Transfers In:	
State general fund appropriations FY 24	273,500
Other financing sources	11,800
Reversion to State General Fund FY 24	<u>(9,546)</u>
Total other financial sources (uses)	<u>275,754</u>
Net change in fund balances	-
Fund balances, beginning of year	<u>13,242</u>
Fund balances, end of year	<u>\$ 13,242</u>

**Reconciliation of Statement of Revenues, Expenditures, And Changes In Fund Balances of Governmental Funds to Statement of Activities**

Net change fund balance in governmental funds	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental	
(Increase) decrease in compensated absences	(4,081)
Rounding	<u>-</u>
Change in net position - governmental activities	<u>\$ (4,081)</u>

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES FUND BALANCES**  
**BUDGET TO ACTUAL (MODIFIED ACCRUAL BUDGETARY BASIS)**  
**For The Year Ended June 30, 2024**

<b>GENERAL FUND (84800)</b>				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETED USE OF FUND BALANCE (CASH CARRY OVER)</b>	-	-		
<b>EXPENDITURES</b>				
<b>Current</b>				
General government:				
Personal services/employee benefits	\$ 203,300	202,300	201,704	596
Contractual services	19,200	26,200	23,407	2,793
Other costs	62,800	56,800	50,643	6,157
Total expenditures	<u>285,300</u>	<u>285,300</u>	<u>275,754</u>	<u>9,546</u>
Excess (deficiency) of revenues over expenditures	<u>(285,300)</u>	<u>(285,300)</u>	<u>(275,754)</u>	<u>9,546</u>
<b>OTHER FINANCIAL SOURCES (USES)</b>				
State general fund appropriations FY 24	273,500	273,500	273,500	-
State special appropriation FY 24	-	-	-	-
Other financing sources	11,800	11,800	11,800	-
Less reversion to state general fund FY 24	-	-	(9,546)	(9,546)
Total other financing sources and uses	<u>285,300</u>	<u>285,300</u>	<u>275,754</u>	<u>(9,546)</u>
Net change in fund balance			-	
Fund balances, beginning of year			<u>13,242</u>	
Fund balances, end of year			<u>\$ 13,242</u>	

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2024**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the State of New Mexico Public Employee Labor Relations Board (Board) is presented to assist in the understanding of the Board's financial statements. The financial statements and notes are the representation of the Board's management, which is responsible for their integrity and objectivity.

The financial statements of the Board have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

**Recently Issued and Adopted Accounting Standards**

**GASB Statement No. 100 (GASB 100), Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62**

In June 2022, GASB issued GASB Statement No. 100 (GASB 100), Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62. GASB 100 addresses accounting changes and error corrections for state and local governments, effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods; (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to, and restatements of, beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. There was no material impact on the Board's financial statements for the year ended June 30, 2024, as a result of this implementation.

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2024**

Implementation Guide No. 2021-1, Answer 5.1 — “Capital Assets”

In May 2021, the Governmental Accounting Standards Board (GASB) issued GASB Implementation Guide No. 2021-1, Answer 5.1 — “Capital Assets”, which is effective for the year ended June 30, 2024. This Implementation Guide directs governments to capitalize assets whose individual acquisition costs are below the capitalization threshold for individual assets if, in the aggregate, these assets are significant. Changes made to conform to the provisions of this Implementation Guide should be applied retroactively by restating prior periods, with the cumulative effect on periods prior to those presented being reported as a restatement of the beginning net position.

Beginning with the year ended June 30, 2024, the Board established a capitalization threshold of \$200,000 for the aggregate acquisition cost of capital assets. There was no material impact on the Board’s financial statements for the year ended June 30, 2024, as a result of the retroactive implementation.

**A. Financial Reporting Entity**

The State of New Mexico Public Employee Labor Relations Board (the Board) was created by the New Mexico Legislature as part of the Public Employee Bargaining Act, 10-7E-1 to 10-7E-26 NMSA 1978. The Board’s first year as an independent agency was the year ended June 30, 2005. During the prior year when it was created, it was considered part of the Office of the Governor. The official roster of the Board consists of three members appointed by the Governor of the State of New Mexico. One member should be recommended to the Governor by organized labor representatives actively involved in representing public employees, and one member should be recommended by employers actively involved in collective bargaining. The third member should be jointly recommended to the Governor by the two appointees. The purpose of the Board is to promulgate rules necessary to accomplish and perform its functions and duties as established in the Public Employee Bargaining Act, including establishing procedures for:

1. The designation of appropriate bargaining units.
2. The selection, certification, and decertification of exclusive representatives; and

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2024**

3. The filing of, hearing on, and determination of complaints or prohibited practices.

The Board shall:

1. Hold hearings and make inquiries necessary to carry out its functions and duties.
2. Conduct studies on problems pertaining to employer-employee relationships.
3. Request from public employers and labor organizations the information and data necessary to carry out the Board's functions and responsibilities.

The Board is a department of the primary government, the State of New Mexico. These financial statements present the financial position and changes in financial position of that portion of the governmental activities, each major fund, and aggregate remaining fund information of the State that is attributable to the transactions of the Board.

Based on the application of the criteria in GASB 14, as amended by GASBs 39, 80, 61 and 90, as well as other applicable GASB statements, the Board had no component units as of June 30, 2024.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the nonfiduciary activities of the Board. There is no interfund activity that requires elimination because the Board has only one fund. The Board's governmental activities are supported by General Fund appropriations from the State of New Mexico. The Board has no business-type activities.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the

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requirements of GASB 33, Accounting and Financial Reporting for Non-exchange Transactions.

In the government-wide Statement of Net Position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term obligations. The Board's net position is reported in two categories: restricted net position and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. The Board has no program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Board's General Fund appropriations are shown as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Board did not have any funds classified as proprietary or fiduciary for the year ended June 30, 2024.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with GASB 33 and GASB 65. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement, and contingencies imposed by the provider are met.

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Unavailable revenues are classified as deferred inflows. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Board reports the following major governmental fund:

**General Fund (84800)**

The General Fund is the Board's operating fund. Its fund number in the Statewide Human Resource Accounting and Management Reporting System (SHARE) is Fund 84800. It is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in some other fund. The General Fund is a reverting fund.

**D. Assets, Liabilities, and Net Position or Equity and Related Notes**

**Cash and Investments**

For the fiscal year ended June 30, 2024, all of the Board's cash was maintained on deposit with the State General Fund Investment Pool (SGFIP). The State Treasurer has the authority to invest money held in demand deposits and not immediately needed for the operation of state government in securities in accordance with, Sections 6-10-10 I through O, NMSA 1978, as amended. State law requires the New Mexico Department of Finance and Administration (DFA) to complete the reconciliation of balances and accounts kept by the New Mexico State Treasurer's Office (STO). The Board does not have a separate bank account.

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As provided in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the State, except when otherwise provided, and shall disburse the public money upon lawful warrants. The STO acts as the State's bank. Board cash receipts are deposited with the STO and pooled in a State Investment Fund; when amounts exceed immediate needs, they are placed into short-term investments.

**Capital Assets and Depreciation**

Capital assets are recorded at historical cost. Donated capital assets, if applicable, are recorded at estimated fair market value as of the date of donation. The cost of maintenance and repairs that do not add to the asset's value or materially extend asset's lives are not capitalized. The Board does not undertake major capital projects involving interest costs during the construction phase.

Pursuant to Section 12-6-10 NMSA 1978, movable chattels and equipment costing \$5,000 or more, with an estimated life greater than one year, are capitalized. Capital assets of the Board are depreciated using the straight-line method over the asset's estimated useful life. As of June 30, 2024, the Board had no capital assets.

**Compensated Absences**

Vacation and sick leave earned and not taken are cumulative; however, upon termination of employment, sick pay for such leave hours accumulated up to 600 hours is forfeited, and vacation pay is limited to payment for 240 hours. Vacation leave, up to the maximum of 240 hours, is payable upon separation from service at the employee's current hourly rate. Sick leave is payable semiannually to qualified employees for hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semiannual period. Upon retirement, payment for sick leave is limited to 400 hours accumulated in excess of 600 hours at 50 percent of the hourly rate. The compensated absences payable are included in the government-wide financial statements. No sick leave at June 30, 2024 met the requirements for accrual as no employee had over 600 hours of sick leave as of June 30, 2024.

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Qualified employees, per the schedule approved by the Board, accumulate annual leave up to a maximum of 240 hours as follows:

Years of Service	Per Pay Period
Less than 3 years	3.08
Between 3 to 7 years	3.69
Between 7 and 11 years	4.61
Between 11 and 15 years	5.54
15 years or more	6.15

**Reversion to State General Fund**

Reversions to the State General Fund by the Board are based on the definitions of reverting funds.

Reverting Funds - All funds not identified by law as non-reverting, in excess of budgeted appropriated expenditures.

Current reversions due to the State General Fund as of June 30, 2024, were as follows:

	General Fund
Reversion FY24	\$ 9,546
Total reversions	\$ <u>9,546</u>

**Fund Balance Classification Policies and Procedures**

In the governmental fund financial statements, fund balances are classified as non-spendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted fund balance represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the state. Assigned fund balance is constrained by the

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Legislature's and Executive Branch's intent to be used for specific purposes, or in some cases, by legislation.

All revenue sources appropriated to the Board are subject to the restrictions placed on them by outside funding sources, provisions of enabling legislation, and applicable statutes, and by the language of legislative awards appropriated to the Board. For restricted balances, once the applicable conditions are satisfied, any remaining resources revert to the original funding source if unused.

**Spending Policy**

When an expenditure or expense is incurred for purposes where both restricted and unrestricted resources are available, it is the Board's policy to use restricted resources first. When expenditures or expenses are incurred for purposes, where unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Board's policy to spend committed resources first. The Board has no authority to establish a minimum fund balance. This is the prerogative of the State Legislature and the Executive Branch.

**Fund Balance**

The Board's fund balance is classified under the following GASB 54 components:

- **Nonspendable**: Nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. The Board has no amounts in the category of nonspendable fund balance for the year ended June 30, 2024.
- **Restricted**: Restricted fund balance represents amounts constrained to specific purposes that are externally imposed or imposed by law through constitutional provisions or enabling legislation (such as by taxpayers, grantors, bondholders, and higher levels of government) The Board has \$13,242 in the category of restricted fund balance for the year ended June 30, 2024 for the purpose of personal services and employee benefits.

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- **Committed**: Committed fund balance is constrained to specific purposes by the highest level of decision-making authority; the New Mexico Legislature and Governor. The Board does not have any committed fund balance for the year ended June 30, 2024.
- **Assigned**: Assigned fund balance is constrained by the Legislature’s and Executive branch’s intent to be used by the government for specific purposes or in some cases, by legislation. Intent can be expressed by the governing body or an official or body to which the governing body delegates authority. The Board has no assigned fund balance for the year ended June 30, 2024.
- **Unassigned**: Unassigned fund balance is the residual classification for the General Fund. The Board does not currently have a minimum fund balance policy. The Board has no amount in the unassigned category in the General Fund.

**Net Position**

The government-wide financial statements utilize a net position presentation. Net Position is categorized as restricted and unrestricted.

- 1) Restricted net position – This classification consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments or (2) law through constitutional provisions or enabling legislation. The Board has \$13,242 as restricted net position as of June 30, 2024.
- 2) Unrestricted (deficit) Net Position – This classification consists of all other net position that do not meet the definition of “restricted net position.” The unrestricted net position is due to recognition of compensated absences.

**Other Required Individual Fund Disclosures**

Generally accepted accounting principles of the United States of America require disclosures of certain information concerning individual funds including:

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- No funds maintained a deficit fund balance as of June 30, 2024.
- No funds exceeded approved budgetary authority for the year ended June 30, 2024.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has no items that meet this criterion. In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized until then. The Board has no items that meet this criterion.

**Concentrations**

The Board depends on financial resources flowing from or associated with the State of New Mexico. Because of this dependency, the Board is subject to changes in specific flows of intergovernmental revenues based on modification to State laws and State appropriations.

**Insurance Coverage (Contingencies)**

The Board obtains coverage through the Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. The coverage is designed to satisfy the requirements of the State Tort Claims Act. All employees of the Board are covered by blanket fidelity bond and money securities coverage by the State of New Mexico for the period July 1, 2023, through June 30, 2024.

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**Reconciliation Of Budgetary Basis To GAAP Basis**

There were no differences between the budgetary basis and the modified GAAP basis for the General Fund for the year ended June 30, 2024.

**Litigation**

The Board is not a party to any litigation for the year ended June 30, 2024.

**Use of Estimates in Preparation of Financial Statements**

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

**Deferred Compensation**

The State of New Mexico offers state, local government, and school district employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan is available to all state employees and those local government and school district employees whose employers have elected to participate in the plan. The plan permits participants to defer a portion of their salary until future years.

The deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are the property of the participant. The Board has no employees that are participating to the deferred compensation plan.

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**Funding**

The Board's funding is subject to annual evaluation and appropriation and could end at any time.

**E. Budgets and Budgetary Accounting**

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

1. No later than September 1<sup>st</sup>, the Board prepares a budget appropriation request by category to be presented to the next Legislature.
2. The appropriation request is submitted to the New Mexico Department of Finance and Administration's Budget Division (DFA) and to the Legislative Finance Committee (LFC).
3. DFA makes recommendations and adjustments to the appropriation request which then becomes the Governor's proposal to the Legislature.
4. The LFC holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the Legislature.
5. Both the DFA's and LFC's recommended appropriation proposals are presented to the Legislature for approval of the final budget plan.
6. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of these hearings are incorporated into the General Appropriations Act.
7. The Board's budget for the fiscal year ending June 30, 2024, was amended in a legally permissible manner by increasing or reallocating appropriation unit totals as the need arose during the fiscal year. Individual amendments were not material in relation to the original budget.
8. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit. The Board submits, no later than May 1<sup>st</sup>, to DFA an annual operating budget by category and line item based upon the appropriations made by

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the Legislature. The DFA - Budget Division reviews and approves the operating budget which becomes effective on July 1.

9. All subsequent budget adjustments must be approved by the Board and the Director of the DFA - Budget Division. The budget for the current year was properly amended.
10. Formal budgetary integration is employed as a management control device during the fiscal year for the Board's funds.
11. The budget for the Governmental Fund is not adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The budgets do not include prior year encumbrances paid in the current year in the budgetary amounts.
12. Appropriations lapse at the end of the fiscal year unless otherwise identified. The Board's General Fund is a reverting fund.
13. The budget for this State Agency is adopted on the modified accrual basis of accounting except for accounts payable at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978), that must be paid out of next year's budget. There were no accounts payable paid out of the subsequent year's budget.
14. If there are appropriations for multiple years and related funds are encumbered, there is a reservation of fund balance for encumbrances in the financial statements. This State Agency has no encumbered funds outstanding as of June 30, 2024.
15. The legal level of budgetary control is at the appropriation program level.

In accordance with the requirements of Section 2.2.2.10.A(2)(b) of NMAC Requirements for Contracting and Conducting Audits of Agencies and the allowance made by GASB 34 footnote 53, the budgetary comparison statement has been included as part of the basic financial statements. It includes the reconciliation of the net change in fund balance (per modified accrual basis) to the net change in fund balance stated on the Statement of Revenues, Expenditures and Changes in Fund Balance.

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**2. CASH ACCOUNTS AND INVESTMENT POLICY**

State law (Section 8-6-3 NMSA 1978) requires the Office's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Office consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office. As provided for in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the state, except when otherwise provided, and shall disburse the public money upon lawful warrants. The State Treasurer's Office (STO) acts as the State's bank when agency cash receipts are deposited and later pooled into a statewide investment fund, also referred to as the State General Fund Investment Pool (SGFIP). In times when cash amounts are greater than immediate needs, the amounts are placed into short-term investments. When agencies make payments to vendors and employees, they are made from this pool and their claims on the pool are reduced.

The comprehensive cash reconciliation model which compares aggregated agency claims on the SGFIP to the associated resources held by the State Treasurer's Office has been completed for fiscal year 2024. This process has been previously reviewed and is analyzed annually, by the Independent Public Accountants performing audits of the General Fund, the Department of Finance and Administration, and the State of New Mexico's Annual Financial Report. These reviews have deemed the process sound and the Department fully compliant with reconciliation requirements. The State Treasurer's Office has provided the following assertions:

- As of June 30, 2024, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
- All claims, as recorded in SHARE, shall be honored at face value.

**Credit Risk for Investments**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The General Fund Investment Pool is not rated for credit risk.

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**Interest Rate Risk for Investments**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board does not have an investment policy that limits investment interest rate risk.

**Investments in the State Treasurer General Fund Investment Pool**

Please see the State Treasurer’s annual audit report for the GASB 40 disclosure of the investments. That report may be obtained by writing to the New Mexico State Treasurer’s Office, P.O. Box 608, Santa Fe, NM 87504-0608.

The following is a summary of the investment and cash balances of the Board. The investments are with the New Mexico State Treasurer as reported by the New Mexico Department of Finance and Administration (DFA) at fair value:

<u>Fund Type</u>	<u>Location</u>	<u>SHARE No./ Description</u>	<u>Per Depository</u>	<u>Warrants/ Checks</u>	<u>Financial Statements</u>
General	STO	84800	\$ 22,622	-	22,622
<b>Total</b>			<u>\$ 22,622</u>	<u>-</u>	<u>22,622</u>

There were no deposits in transit. The STO accounts are interest-bearing, but the Board did not receive any interest for the year ended June 30, 2024.

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**3. COMPENSATED ABSENCES PAYABLE**

A summary of changes in compensated absences payable for the year ended June 30, is as follows:

	2023	Increases	Decreases	2024	Current Portion
Compensated absences payable \$	4,210	11,429	(7,348)	8,291	8,291

The current portion of the liability, as noted above, is presented in the Statement of Net Position. In prior years, the General Fund was used to liquidate compensated absences.

**4. PENSION PLAN—PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan Description.** Compliant with the requirements of GASB 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2024.

The Board, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Annual Comprehensive Financial Report (ACFR) of the State of New Mexico.

Information concerning the next pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund, and the ACFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

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**Funding Policy:** Plan members are required to contribute 10.92% of their gross salary. The Board is required to contribute 19.24% of the gross covered salary. The contribution requirements of plan members and the Board are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Board's contributions to PERA for the years ending June 30, 2024, 2023, and 2022, were \$29,008, \$26,829, and \$24,566, respectively, which equal the amount of the required contributions for each fiscal year.

**5. POST-EMPLOYMENT BENEFITS—STATE RETIREE HEALTH CARE PLAN**

**Plan Description.** The Board contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare

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plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2024, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2024, the statute required each participating employer to contribute 2.0% of each participating employee's annual

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salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Board's contributions to the RHCA for the years ended June 30, 2024, 2023, and 2022, were \$3,017, \$2,865, and \$2,695, respectively, which equal the required contributions for each year.

**6. DUE TO STATE GENERAL FUND**

The following was due to the state general fund at June 30, 2024.

		<u>General Fund</u>	
State dated warrants	\$	<u>          -</u>	
Total	\$	<u><u>          -</u></u>	

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**7. COMMITMENTS**

The Board is committed under a lease for office space through December 14, 2024. This lease is a short-term lease, and it is not subject to GASB 87, therefore it is not reflected in the Board's Statement of net position. Lease expenditures for the year ended June 30, 2024 amounted to \$24,285. Future minimum lease payments for the lease are \$11,393 for FY24.

**8. SCHEDULE OF INTERAGENCY TRANSFERS**

Description	Agency Transferred From	From Fund	To Fund	Reference	Appropriation Period	Amount Transferred In
<b>State appropriations</b>						
General fund appropriation	DFA	34101-85300	84800	Laws 2023, 56th Legislature, First Session, Chapter 210	FY 24	\$ 273,500
<b>Other financing sources</b>						
Other financing sources	DFA	34100-62000	84800	Laws 2023, 56th Legislature, First Session, Chapter 210, Section 8		11,800
Total other financial sources						<u>11,800</u>
Total transfers in						<u>\$ 285,300</u>
Description	Agency Transferred To	From Fund	To Fund	Reference	Appropriation Period	Amount Transferred Out
General fund reversion	DFA	84800	34101	None	FY 24	* (9,546)
						<u>\$ 275,754</u>

\*Transfer will take place in FY25

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Description	SHARE Identifier #	Original Appropriation	Appropriation Period	Expend- itures To Date	Out- standing Encumb- rances	Unencumb- ered Balances
<b>Special, Deficiency, Specific and Capital Outlay Appropriations</b>						
Laws of 2022, 1st Session, Chapter 54, Section 5, Item 46, L22, 2S, C54-S5-I046, 37922OPA05/37922OPR05	ZG5046	\$ 25,000	3/16/2022-6/30/2023 extended to 2025	11,758	-	13,242
Total Special, Deficiency, Specific and Capital Outlay Appropriations		<u>\$ 25,000</u>		<u>11,758</u>	<u>-</u>	<u>13,242</u>

All unencumbered balances may be used during the appropriation period noted above.

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

Governing Board and Thomas J. Griego, Executive Director of the  
State of New Mexico Public Employee Labor Relations Board  
and  
Mr. Joseph Maestas, P.E., New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, the budgetary comparison of the general fund of the State of New Mexico Public Employee Labor Relations Board (the Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 08, 2024.

**Report on Internal Control Over Financial Reporting**

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

A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such 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*.

October 08, 2024

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

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**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 result 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.

*Hinkle & Landers, P.C.*

Hinkle + Landers, P.C.

Albuquerque, NM

October 08, 2024

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For The Year Ended June 30, 2024**

**SECTION I: SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued **Unmodified**

Internal control over financial reporting:

- a. Material weakness(es) identified? Yes No
  
- b. Significant deficiency(ies) identified  
that are not considered to be a material weakness(es)? Yes No
  
- c. Noncompliance material to the financial statements noted? Yes No

**SECTION II and III: FINANCIAL STATEMENTS AND SECTION 12-6-5 NMSA 1978 FINIDNGS**

<u>Reference #</u>	<u>Finding</u>	<u>Status of Current and Prior Year Findings</u>	<u>Type of Finding*</u>
<b><u>Prior Year Findings</u></b>			
None			
<b><u>Current Year Findings</u></b>			
None			

\*Legend for Type of Findings

Section II - Financial Statement Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting
- D. Instance of Non-compliance Material to the Financial Statements

Section III - 12-6-5 NMSA 1978 Findings

- E. Other Non-compliance Required to be Reported per Section 12-6-5 NMSA 197

**STATE OF NEW MEXICO**  
**NEW MEXICO PUBLIC EMPLOYEE LABOR RELATIONS BOARD**  
**EXIT CONFERENCE**  
**For the Year Ended June 30, 2024**

An exit conference was held in a closed conference on October 08, 2024.

Attending were the following:

State of New Mexico, Public Employee Labor Relations Board

Mark Myers, Board Chair

Mr. Thomas Griego, Executive Director

Ms. Tanya Montoya-Ramirez, Chief Financial Officer

Matthew Huchmala, Legal Assistant II

Hinkle + Landers, P.C.

Farley Vener, CPA, CFE, CGMA, Managing Shareholder

Cosmina Hays, CPA, CGFM, MBA, Audit Manager

FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are the responsibility of the Board and are based on information from the Board's financial records. Assistance was provided by Hinkle + Landers, PC to the Board in preparing the financial statements.