

COMMISSION MEETING AGENDA BRIEFING

Meeting Date: March 30, 2026

Agenda Number: 10

Presenter: Jane Tinker, CPA

Corroborator: Paul Varela

Agenda Title: Presentation of Department's Fiscal Year 2025 Audit Report

1. Summary of Agenda Item

A financial audit of the Department for fiscal year 2025 was conducted by Clifton Larson Allen LLP. The Department's Financial Statement received the highest possible opinion of "unmodified."

2. Background Information

The State Audit rule requires that agencies governed by a board or commission present the annual financial statements and audit report to their governing body in a public meeting. According to 2.2.2.10.M(4), "Once the audit report is officially released to the agency by the state auditor (by a release letter) and the required waiting period of five calendar days has passed, unless waived by the agency in writing, the audit report shall be presented by the IPA, to a quorum of the governing authority of the agency at a meeting held in accordance with the Open Meetings Act, if applicable. This requirement only applies to agencies with a governing authority, such as a board of directors, board of county commissioners, or city council, which is subject to the Open Meetings Act."

3. Strategic Plan References and Possible Impacts of Agenda Item

Objective 2 of the Administrative Program portion of the Strategic Plan is to "Competently manage and control the Department's financial resources." This request is consistent with that strategy and objective and is also required by state rule.

4. Considerations Regarding Duplications and/or Conflicts with Existing Rules or Statutes

None

5. Description and Summary of Public Involvement Process and Results

The Department received the proper authorization letter to release the fiscal year 2025 Audit.

6. Suggested Motion

The Department respectfully suggests the following motion unless Commission discretion indicates a different course of action:

"Move to approve the Department's audit report for fiscal year 2025."

NEW MEXICO DEPARTMENT OF GAME AND FISH

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**NEW MEXICO DEPARTMENT OF GAME AND FISH
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

OFFICIAL ROSTER (UNAUDITED)	1
INDEPENDENT AUDITORS' REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION	17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	18
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	19
STATEMENTS OF REVENUES AND EXPENDITURES – MAJOR GOVERNMENTAL FUNDS – BUDGET AND ACTUAL (BUDGETARY BASIS)	20
NOTES TO FINANCIAL STATEMENTS	22
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – COMPONENTS OF THE OPERATING FUND	46
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – COMPONENTS OF THE OPERATING FUND	47
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	48
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	50
SUPPLEMENTARY SCHEDULE OF CASH ACCOUNTS	52
SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS	53

**NEW MEXICO DEPARTMENT OF GAME AND FISH
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	54
SCHEDULE OF FINDINGS AND RESPONSES	56
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	59
EXIT CONFERENCE	60

**NEW MEXICO DEPARTMENT OF GAME AND FISH
OFFICIAL ROSTER
YEAR ENDED JUNE 30, 2025**

Commission

Richard Stump	Appointed at-large, New Mexico	Chair
Sharon Salazar Hickey	District 4, New Mexico	Vice-Chair
Fernando Clemente Jr.	Appointed at-large, New Mexico	Commissioner
Gregg Fulfer	District 1, New Mexico	Commissioner
Vacant	District 2, New Mexico	Commissioner
Tirzio Lopez	District 3, New Mexico	Commissioner
Dr. Christopher C. Witt	District 5, New Mexico	Commissioner

Administrative Officials

Michael Sloane	Director and Secretary to the Commission
Vacant	Deputy Director
Jeremy Martin	General Counsel
Andrew Gildersleeve	Deputy General Counsel
Paul Varela	Chief of Administrative Services Division
Vacant	Chief of Information Services Division
Stewart Liley	Chief of Wildlife Management Division
Kirk Patten	Chief of Fisheries Management Division
Tristanna Bickford	Chief of Information and Education Division
Tim Cimbale	Colonel Field Operations



INDEPENDENT AUDITORS' REPORT

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor
Santa Fe, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue fund of the New Mexico Department of Game and Fish (the Department), a department 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 the Department'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, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department 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

Reporting Entity

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the state of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly, the financial position of the state of New Mexico as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Department adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. Accordingly, the beginning net position for the governmental activities has been restated to reflect this change in accounting principle. 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department'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.

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.

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The combining fund financial statements, combining nonmajor fund financial statements, supplementary schedule of cash accounts, and supplementary schedule of joint powers agreements as required by 2.2.2 NMAC, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund financial statements, combining nonmajor fund financial statements, supplementary schedule of cash accounts, and supplementary schedule of joint powers agreements 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 official roster and exit conference but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 14, 2025

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The management of the Department of Game and Fish (the Department) is pleased to present the *Management's Discussion and Analysis (MD&A)* of its financial statements for the fiscal year ended June 30, 2025. The MD&A summarizes the Department's financial activities for the stated fiscal year 2025, which is the period between July 1, 2024 and June 30, 2025 (FY25). This report is provided for consumers of financial information including state legislators, citizens, federal entities, and the public. It is designed to assist the reader in focusing on any significant financial issues, provide an overview of the Department's financial activity, identify changes in the financial position, identify any material deviations from the financial plan, and report on specific fund activity.

The Department encourages readers to consider the MD&A information in conjunction with the financial statements.

Financial Highlights

- The Department's government-wide assets exceeded its liabilities at the close of fiscal year 2025 with a net position of \$222,955,570.
- The Department's overall cash balance across all funds continues to remain positive with a grand total of \$63,612,170.
- The Department purchased \$11,112,646 in capital assets and disposed of \$1,315,630 in capital assets with a net loss of \$8,724 during the fiscal year. The total value for all capital assets, net of accumulated depreciation and amortization, as of June 30, 2025, is \$164,357,048.
- Total revenue was \$62,820,733, or \$1,693,603 less than the total expenditures of \$64,514,336 and proceeds from the sale of assets of \$252,675 in other financing sources (uses). Total governmental fund balance increased by \$3,531,609 in FY25.
- The Department sold approximately 1.1 million licenses, permits, and stamps in the fiscal year, generating \$35,397,322 in license revenue, presented as license revenue in the fund statements.

Overview of the Financial Statements

This annual report consists of four parts: 1) management's discussion and analysis, 2) the basic financial statements, 3) notes to the financial statements, and 4) supplementary information presenting combining statements for nonmajor governmental funds.

The basic financial statements include two types of statements that provide different views of the Department: The first are government-wide financial statements that provide both long-term and short-term information about the Department's overall financial status, including capital assets, SBITA liabilities and compensated absences. The remaining statements are detailed governmental fund financial statements that focus on the individual parts, specifically short-term information on the Department's individual funds. The basic financial statements also include reconciliations to help explain the difference between the government wide and fund financial statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The basic financial statements are followed by a section of required notes and supplementary information to further explain and support the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about the non-major governmental funds.

Government-Wide Financial Statements. The government-wide financial statements consist of two reports: the Statement of Net Position and the Statement of Activities. These statements report all assets, liabilities, revenues, expenses, gains and losses of the government. Both statements distinguish between the governmental and business-type activities of the primary government.

The Statement of Net Position reports on the overall financial position of the Department. While this report is comparable to the balance sheet in a private sector entity's financial statement, there is one main difference. The New Mexico Department of Game and Fish is a government agency and a trustee of public assets rather than a company with shareholders or owners. In a private sector balance sheet, the surplus (or deficit) of assets compared to liabilities is the owners' equity. In governmental financial statements, this excess is labeled net position. Trends in net position over time are an indicator of whether the agency's financial position is improving or declining.

The second report in the government-wide financial statements is the Statement of Activities. This report provides information about revenue and expenditure activity throughout the course of fiscal year 2025. The statement provides the net position at the beginning of the year and the balance at the end of the year. The difference between revenue and expenditure amounts provides for the change in net position.

Fund Financial Statements. The fund financial statements provide detailed information about the Department's governmental funds. These statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. These statements are similar to the financial statements presented in the previous accounting model, but with an emphasis on the major funds. The non-major funds are summarized into a single column. All of the Department's funds are categorized as governmental funds and the Department does not have any proprietary funds.

Governmental Funds - All of the Department's services are included in governmental funds, which focus on (a) how cash, and other financial assets that can be readily converted to cash, flow in and out; and (b) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view that helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the Department as a Whole

Net Position. The total Department net position for the fiscal year ended June 30, 2025 is \$222,955,570. That entire amount is either restricted as to the purposes it can be used for or is investment in capital assets. The restricted net position in governmental activities was \$59,809,818 at the end of the fiscal year. The FY24 unrestricted deficit balance of \$12,654 from the severance tax bond has been cleared and reconciled in FY25.

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Amount Change</u>
Assets:			
Current and Other Assets	\$ 68,815,463	\$ 65,651,094	\$ 3,164,369
Capital Assets	<u>164,357,048</u>	<u>158,891,466</u>	<u>5,465,582</u>
 Total Assets	 <u><u>\$ 233,172,511</u></u>	 <u><u>\$ 224,542,560</u></u>	 <u><u>\$ 8,629,951</u></u>
 Liabilities:			
Current Liabilities	\$ 8,392,126	\$ 7,887,281	\$ 504,845
Noncurrent Liabilities	<u>1,824,815</u>	<u>45,340</u>	<u>1,779,475</u>
Total Liabilities	<u>10,216,941</u>	<u>7,932,621</u>	<u>2,284,320</u>
 Net Position:			
Net Investment in Capital Assets	163,145,752	158,453,867	4,691,885
Restricted	59,809,818	58,168,726	1,641,092
Unrestricted	<u>-</u>	<u>(12,654)</u>	<u>12,654</u>
Total Net Position	<u><u>222,955,570</u></u>	<u><u>216,609,939</u></u>	<u><u>6,345,631</u></u>
 Total Liabilities and Net Position	 <u><u>\$ 233,172,511</u></u>	 <u><u>\$ 224,542,560</u></u>	 <u><u>\$ 8,629,951</u></u>

The Department's total assets are comprised of \$164,357,048 in capital assets and lease assets and \$68,815,463 in current assets, for a total assets balance of \$233,172,511. The overall increase in total assets from the previous fiscal year is 3.84%. The Department's total liabilities is \$10,216,941, of which \$8,392,126 is current and \$1,824,815 is noncurrent. With a prior year balance of \$7,932,621, total liabilities increased 28.80%, attributable to an increase in compensated absences and lease liabilities. The overall increase in total net position from the previous fiscal year is 2.93%.

Currently Known Facts, Conditions, or Decisions: The Department does not anticipate any significant impacts or changes to net position. However, the Department is subject to possible litigation from outside entities. The Department does not foresee any litigation affecting net position or the financial statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Governmental Activities. The table below summarizes the Department's government-wide activities for the fiscal years ended June 30, 2025 and 2024. The change in net position was \$8,279,102 for the fiscal year.

Changes in the Department's Net Position

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Amount Change</u>
Program Revenues	\$ 60,902,375	\$ 56,728,026	\$ 4,174,349
General Revenues	2,162,309	3,954,723	(1,792,414)
Total Revenues	<u>63,064,684</u>	<u>60,682,749</u>	2,381,935
Program Expenses	<u>58,614,903</u>	<u>57,768,300</u>	846,603
Total Expenses	58,614,903	57,768,300	846,603
Transfers	<u>3,829,321</u>	<u>(104,322)</u>	3,933,643
Change in Net Position	8,279,102	2,810,127	5,468,975
Net Position - Beginning of Year, As Previously Reported	<u>216,609,939</u>	<u>213,799,812</u>	2,810,127
Restatement	<u>(1,933,471)</u>	-	<u>(1,933,471)</u>
Net Position - Beginning of Year, As Restated	<u>214,676,468</u>	<u>213,799,812</u>	876,656
Net Position - End of Year	<u>\$ 222,955,570</u>	<u>\$ 216,609,939</u>	<u>\$ 6,345,631</u>

Information on Individual Funds

The Department is responsible for the management of ten individual fund accounts, including the Capital Projects Fund. The Game Protection Fund is considered the Department's one major operating fund. The Big Game Enhancement Fund is considered the Department's one major special revenue fund. These funds are accounting devices used to keep track of specific sources of funding and spending for particular purposes and legal mandates.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The cash balance increased in three of the six nonmajor funds. The Operating Fund had a cash balance decrease of 20.11% due to the one-time general fund appropriation in FY23 that was spent down in FY24. The Big Game Enhancement Fund had an increase of 9.32% in cash balance. The Capital Projects Fund experienced a 68.92% increase in cash balance. The table below lists the beginning and ending cash balances for each fund managed by the Department.

Fund Name	Fund	Balance, June 30, 2025	Balance, June 30, 2024	Amount Change
Operating Fund (Major)	19800/78700/78710	\$ 17,477,983	\$ 21,876,907	\$ (4,398,924)
Big Game Enhancement Fund (Major)	77200	8,516,412	7,790,199	726,213
Capital Projects Fund (Major)	88700	21,599,720	12,787,022	8,812,698
Habitat Management Fund	49400	2,932,606	4,341,495	(1,408,889)
Big Game Depredation Damage Fund	54900	3,827,315	3,400,782	426,533
Trail Safety Fund	10840	1,969,733	2,197,898	(228,165)
Sikes Act Fund	09700	4,713,875	5,136,416	(422,541)
Share With Wildlife Fund	30700	1,493,631	1,324,349	169,282
Bond Interest and Retirement Fund	42800	1,080,895	729,264	351,631
Total Cash and Investments		<u>\$ 63,612,170</u>	<u>\$ 59,584,332</u>	<u>\$ 4,027,838</u>

The table below lists the total revenue for each fund managed by the Department.

Fund Name	SHARE Fund	Revenue		Amount Change
		Fiscal Year Ended	Fiscal Year Ended	
		June 30, 2025	June 30, 2024	
Operating Fund (Major)	19800/78700/78710	\$ 52,025,597	\$ 49,115,767	\$ 2,909,830
Big Game Enhancement Fund (Major)	77200	3,602,814	2,569,205	1,033,609
Capital Projects Fund (Major)	88700	1,220,354	1,180,375	39,979
Habitat Management Fund	49400	1,280,306	1,037,136	243,170
Big Game Depredation Damage Fund	54900	611,646	587,942	23,704
Trail Safety Fund	10840	1,068,771	1,032,736	36,035
Sikes Act Fund	09700	2,302,952	2,220,029	82,923
Share With Wildlife Fund	30700	356,662	364,013	(7,351)
Bond Interest and Retirement Fund	42800	351,631	305,689	45,942
Total Revenues		<u>\$ 62,820,733</u>	<u>\$ 58,412,892</u>	<u>\$ 4,407,841</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The table below lists the total expenditures for each fund managed by the Department.

Fund Name	SHARE Fund	Expenditures		Amount Change
		Fiscal Year Ended	Fiscal Year Ended	
		June 30, 2025	June 30, 2024	
Operating Fund (Major)	19800/78700/78710	\$ 54,476,813	\$ 50,319,721	\$ 4,157,092
Big Game Enhancement Fund (Major)	77200	824,652	533,627	291,025
Capital Projects Fund (Major)	88700	7,277,817	5,997,292	1,280,525
Habitat Management Fund	49400	464,084	386,976	77,108
Big Game Depredation Damage Fund	54900	81,802	341,426	(259,624)
Trail Safety Fund	10840	760,626	860,590	(99,964)
Sikes Act Fund	09700	242,522	373,123	(130,601)
Share With Wildlife Fund	30700	198,674	229,530	(30,856)
STB Capital Outlay	89200	187,346	12,654	174,692
Total Expenditures		<u>\$ 64,514,336</u>	<u>\$ 59,054,939</u>	<u>\$ 5,459,397</u>

Budgets, Revenue, and Expenditures

The Department recorded several adjustments to the original budget amounts during the fiscal year; most of the adjustments were due to additional federal grant funds made available to the Department or the establishment of other financing uses. The variance in federal grant revenue is due to federal grants received throughout the fiscal year related to federal project activity. Federal grants awarded to the Department include ecosystem management projects, habitat improvements, hatchery operations, and Bear Canyon Dam renovation/rehabilitation planning. Multiple grants also addressed management of endangered species and Species of Greatest Conservation Need. The variance in other revenue is attributed to additional grants received by the Department during fiscal year 2025.

The Department's Game Protection Fund started the year with an operating budget of \$51,244,000. During the year, budget adjustments related to increases in federal grant funds and license revenue totaled \$7,699,548, increasing the final budget to \$58,943,548. Actual revenue amounts, including other financing sources, in the Game Protection Fund were \$57,150,366. Actual expenditure amounts in the Game Protection Fund, including other financing uses, totaled \$60,429,224, with \$8,000,000 for capital. Capital was budgeted using existing fund balance from the Game Protection Fund.

The Department continues to take a cautious approach to expending funds. Historically, all revenues are generated internally, however, for the first time, the Department received funding in the amount of \$2.75 million dollars from the State of New Mexico's Land of Enchantment Legacy Fund to provide additional support for Species of Greatest Conservation Need. The largest single source of revenue year by year comes from the sale of hunting and fishing licenses. This is shown as License Revenue on the Statement of Revenues, Expenditures, and Changes in Fund Balances within the fund financial statements and accounts for \$35,397,322 of the Department's total revenue in fiscal year 2025. Capital outlay expense increased to \$11,112,646 and the Game and Fish Resource Conservation expenditures increased to \$53,140,762.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Capital Asset and Long-Term Debt Activity

The following table shows the Department's capital assets:

	<u>Governmental Activities</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Land	\$ 79,702,738	\$ 76,412,162
Fencing	5,895,670	5,673,089
Infrastructures and Easements	44,128,381	43,498,363
Property, Plant, and Equipment	95,475,968	90,388,184
Work in Progress	404,406	981,565
Right-to-Use Lease Asset	1,820,079	676,863
Subtotal	<u>227,427,242</u>	<u>217,630,226</u>
Less: Accumulated Depreciation and Amortization	<u>(63,070,194)</u>	<u>(58,738,760)</u>
Total Capital Assets, Net	<u><u>\$ 164,357,048</u></u>	<u><u>\$ 158,891,466</u></u>

The net value of the Department's capital and leased assets as of June 30, 2025, is \$164,357,048. This net value increased by 3.44% during fiscal year 2025. Significant capital projects placed in service in fiscal year 2025 include several MOTUS towers, 15 new vehicles, and improvements to the Gila Trout Hatchery. By June 30, 2025, the Department had 3 ongoing projects: additional MOTUS towers, the planning of the Bernardo shop facility, and the Bear Canyon boat ramp and access.

The Department had no long-term bond activity during fiscal year 2025 from the Game and Fish Bond Interest and Retirement Fund. Any funds appropriated and expended from the Game and Fish Bond Interest and Retirement Fund come from existing cash balances in the fund. There are no outstanding bonds, debts, or other obligations requiring repayment from this fund.

The ability to issue long-term debt is provided in the New Mexico statutes, but if the Department wished to incur additional long-term debt, the State Legislature would need to amend the current statutory language to authorize the State Game Commission to issue and sell bonds.

The Department's long-term liabilities pertain to compensated absences and the lease and SBITA agreements, and the liability associated with the leased assets. The combined lease and SBITA liability balance is \$1,007,905, with a current portion of \$286,974

Anticipated Future Conditions and Changes

New Mexico law charges the State Game Commission and the Department of Game and Fish with the management of the Game Protection Fund, which is the Department's general operating fund. The projected cash balance of the Game Protection Fund should allow the Department to maintain its current operating budget for the foreseeable future. During fiscal year 2025, Senate Bill 5 was passed by the New Mexico State Legislature and signed by the Governor. This bill will reform the State Game Commission, rename the Department of Game and Fish to the Department of Wildlife, expand the management of wildlife and provide a comprehensive license fee increase allowing for future adjustments to account for inflation. The license fee increase is expected to generate approximately \$8 to \$10 million per year in additional revenue for the Department.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

As a mostly self-funded agency that does not typically receive money from State general taxpayer funds, the Department must be cognizant of national trends related to participation in hunting and fishing. While New Mexico has not experienced declines in participation to the degree other states have experienced, we must consider similar circumstances and how they may be relevant here, now and into the future. Demographic shifts in society, such as aging population, urbanization, and increases in single-parent households are among the factors that should influence planning for the future. The Department continues to prioritize the recruitment, retention, and reactivation (R3) of hunters and anglers to sustain or grow overall participation in hunting and fishing across New Mexico.

Contacting the Department's Financial Management

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

New Mexico Department of Game and Fish
Administrative Services Division
1 Wildlife Way
Santa Fe, NM 87507
<https://wildlife.dgf.nm.gov/>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash on Hand	\$ 3,530
Cash	203,748
State General Fund Investment Pool	63,404,892
Receivables:	
Accounts Receivable	284,943
Due from Federal Government	4,918,350
Total Current Assets	<u>68,815,463</u>
NONCURRENT ASSETS	
Capital Assets Not Being Depreciated	80,915,666
Depreciable Capital Assets, Net	83,441,382
Total Noncurrent Assets	<u>164,357,048</u>
 Total Assets	 <u><u>\$ 233,172,511</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 4,723,241
Accrued Compensated Absences	2,575,727
Accrued Payroll	706,184
Other Liabilities	100,000
Current Portion Long-Term Lease and SBITA Liabilities	286,974
Total Current Liabilities	<u>8,392,126</u>
NONCURRENT LIABILITIES	
Long-Term Compensated Absences	1,103,884
Long-Term Lease Liability	720,931
Total Long-Term Liabilities	<u>1,824,815</u>
 Total Liabilities	 10,216,941
NET POSITION	
Net Investment in Capital Assets	163,145,752
Restricted for:	
Wildlife and Fisheries Management Operations	38,829,540
Capital Projects	20,980,278
Total Net Position	<u>222,955,570</u>
 Total Liabilities and Net Position	 <u><u>\$ 233,172,511</u></u>

See accompanying Notes to Financial Statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
GOVERNMENTAL ACTIVITIES					
Game and Fish Resource					
Conservation	\$ 58,614,903	\$ 37,850,797	\$ 22,062,558	\$ 989,020	\$ 2,287,472
Total Governmental Activities	<u>\$ 58,614,903</u>	<u>\$ 37,850,797</u>	<u>\$ 22,062,558</u>	<u>\$ 989,020</u>	2,287,472
GENERAL REVENUES AND TRANSFERS					
					243,951
					1,918,358
					3,829,321
					<u>5,991,630</u>
CHANGE IN NET POSITION					
					8,279,102
					216,609,939
					<u>(1,933,471)</u>
					<u>214,676,468</u>
NET POSITION - END OF YEAR					
					<u>\$ 222,955,570</u>

See accompanying Notes to Financial Statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	Operating Fund	Big Game Enhancement Fund - 77200	Capital Projects - 88700		
ASSETS					
Cash on Hand	\$ 3,530	\$ -	\$ -	\$ -	\$ 3,530
Cash	203,748	-	-	-	203,748
State General Fund Investment Pool	17,270,705	8,516,412	21,599,720	16,018,055	63,404,892
Receivables:					
Accounts Receivable	284,943	-	-	-	284,943
Due from Federal Government	4,483,667	174,961	93,635	166,087	4,918,350
Total Assets	<u>\$ 22,246,593</u>	<u>\$ 8,691,373</u>	<u>\$ 21,693,355</u>	<u>\$ 16,184,142</u>	<u>\$ 68,815,463</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 3,336,537	\$ 74,958	\$ 1,066,755	\$ 244,991	\$ 4,723,241
Accrued Payroll	697,297	2,072	-	6,815	706,184
Other Liabilities	100,000	-	-	-	100,000
Total Liabilities	<u>4,133,834</u>	<u>77,030</u>	<u>1,066,755</u>	<u>251,806</u>	<u>5,529,425</u>
FUND BALANCES					
Restricted	18,112,759	8,614,343	20,626,600	15,932,336	63,286,038
Total Fund Balances	<u>18,112,759</u>	<u>8,614,343</u>	<u>20,626,600</u>	<u>15,932,336</u>	<u>63,286,038</u>
Total Liabilities and Fund Balances	<u>\$ 22,246,593</u>	<u>\$ 8,691,373</u>	<u>\$ 21,693,355</u>	<u>\$ 16,184,142</u>	<u>\$ 68,815,463</u>

See accompanying Notes to Financial Statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 63,286,038
--	----------------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of Capital Assets	227,427,242
Accumulated Depreciation and Amortization	<u>(63,070,194)</u>
Total Capital Assets	<u>164,357,048</u>

Long-term and certain other liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Other liabilities at year-end consist of:

Lease and SBITA Liabilities	(1,007,905)
Compensated Absences Payable	<u>(3,679,611)</u>
Total Liabilities	<u><u>(4,687,516)</u></u>

Net Position of Governmental Activities (Statement of Net Position)	<u><u>\$ 222,955,570</u></u>
--	-------------------------------------

**NEW MEXICO DEPARTMENT OF GAME AND FISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	Operating Fund	Big Game Enhancement Fund - 77200	Capital Projects - 88700		
REVENUES					
License Revenue	\$ 29,018,439	\$ 2,624,780	\$ -	\$ 3,754,103	\$ 35,397,322
Federal and Other Grants	20,883,522	654,794	989,020	524,242	23,051,578
Penalties	214,646	-	-	-	214,646
Interest Earned	1,190,587	277,730	-	450,041	1,918,358
Other Revenue	973,217	-	81,047	1,184,565	2,238,829
Total Revenues	<u>52,280,411</u>	<u>3,557,304</u>	<u>1,070,067</u>	<u>5,912,951</u>	<u>62,820,733</u>
EXPENDITURES					
Current:					
Game and Fish Resource Conservation	46,985,289	824,652	3,871,206	1,459,615	53,140,762
Debt Service:					
Principal	230,323	-	-	-	230,323
Interest	30,605	-	-	-	30,605
Capital Outlay	7,230,596	-	3,406,611	475,439	11,112,646
Total Expenditures	<u>54,476,813</u>	<u>824,652</u>	<u>7,277,817</u>	<u>1,935,054</u>	<u>64,514,336</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,196,402)	2,732,652	(6,207,750)	3,977,897	(1,693,603)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Assets	252,675	-	-	-	252,675
Intra-Agency Transfers In	-	73,176	15,000,000	-	15,073,176
Intra-Agency Transfers Out	(8,000,000)	(2,000,000)	(73,176)	(5,000,000)	(15,073,176)
Inter-Agency Transfer In	3,811,621	-	-	200,000	4,011,621
Inter-Agency Transfer Out	(182,300)	-	-	-	(182,300)
Debt Proceeds - Leases and SBITA	1,143,216	-	-	-	1,143,216
Net Other Financing Sources (Uses)	<u>(2,974,788)</u>	<u>(1,926,824)</u>	<u>14,926,824</u>	<u>(4,800,000)</u>	<u>5,225,212</u>
NET CHANGE IN FUND BALANCES	(5,171,190)	805,828	8,719,074	(822,103)	3,531,609
Fund Balances - Beginning of Year	<u>23,283,949</u>	<u>7,808,515</u>	<u>11,907,526</u>	<u>16,754,439</u>	<u>59,754,429</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,112,759</u>	<u>\$ 8,614,343</u>	<u>\$ 20,626,600</u>	<u>\$ 15,932,336</u>	<u>\$ 63,286,038</u>

See accompanying Notes to Financial Statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net Changes in Fund Balances - Total Governmental Funds
(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ 3,531,609

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The following represents the changes in long-term debt for the fiscal year:

Principal payments on Lease and SBITA Liabilities	230,323
Proceeds from Debt Issuance - Leases and SBITA	(1,143,216)
Change in compensated absences	194,804
Total	(718,089)

The statement of activities reports the gain on disposal of capital assets, while the statement of revenues, expenditures, and changes in fund balances reports the proceeds. The reconciling amount is the difference. (8,724)

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. In the current period, these amounts were:

Capital Outlay	11,112,646
Depreciation and Amortization Expense	(5,638,340)
Excess of Capital Outlay Over Depreciation and Amortization Expense	5,474,306

Change in Net Position of Governmental Activities (Statement of Activities) \$ 8,279,102

**NEW MEXICO DEPARTMENT OF GAME AND FISH
STATEMENT OF REVENUES AND EXPENDITURES –
MAJOR GOVERNMENTAL FUNDS – BUDGET AND ACTUAL
(BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2025**

	OPERATING FUND			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other State Revenue	\$ 32,628,600	\$ 33,299,700	\$ 31,621,055	\$ (1,678,645)
Federal and Other Grants	14,865,400	21,893,848	20,883,522	(1,010,326)
Other Financing Sources	2,750,000	2,750,000	3,811,621	1,061,621
Total Revenues	<u>50,244,000</u>	<u>57,943,548</u>	56,316,198	(1,627,350)
BUDGETED FUND BALANCE	<u>8,000,000</u>	<u>8,000,000</u>	-	(8,000,000)
Total Revenues and Budgeted Fund Balance	<u>\$ 58,244,000</u>	<u>\$ 65,943,548</u>	56,316,198	<u>\$ (9,627,350)</u>
EXPENDITURES				
Personal Services and Benefits	\$ 30,046,800	\$ 30,046,800	28,603,548	\$ 1,443,252
Contractual Services	4,103,100	4,503,100	3,663,738	839,362
Other Costs	15,911,800	23,211,348	19,885,106	3,326,242
Other Financing Uses	8,182,300	8,182,300	8,182,300	-
Total Expenditures	<u>\$ 58,244,000</u>	<u>\$ 65,943,548</u>	<u>60,334,692</u>	<u>\$ 5,608,856</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			(4,018,494)	
LEASE AND SBITA CAPITAL EXPENSE (NOT BUDGETED)			(1,143,216)	
REQUEST TO PAY PRIOR YEAR BILLS FY24 Bills Paid in FY25			(26,043)	
LAW ENFORCEMENT AND OPERATION GAME THIEF NET CHANGE IN FUND BALANCES (NOT BUDGETED)			<u>16,563</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (5,171,190)</u>	

See accompanying Notes to Financial Statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
STATEMENT OF REVENUES AND EXPENDITURES –
MAJOR GOVERNMENTAL FUNDS – BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2025**

BIG GAME ENHANCEMENT FUND - 77200				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other State Revenue	\$ 694,400	\$ 694,400	\$ 2,902,510	\$ 2,208,110
Federal and Other Grants	358,300	358,300	654,794	296,494
Other Financing Sources	-	-	73,176	73,176
Total Revenues	<u>1,052,700</u>	<u>1,052,700</u>	<u>3,630,480</u>	<u>2,577,780</u>
BUDGETED FUND BALANCE	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total Revenues and Budgeted Fund Balance	<u>\$ 3,052,700</u>	<u>\$ 3,052,700</u>	3,630,480	<u>\$ 577,780</u>
EXPENDITURES				
Personal Services and Benefits	\$ 112,700	\$ 112,700	92,013	\$ 20,687
Contractual Services	430,000	430,000	345,872	84,128
Other Costs	510,000	510,000	386,767	123,233
Other Financing Uses	2,000,000	2,000,000	2,000,000	-
Total Expenditures	<u>\$ 3,052,700</u>	<u>\$ 3,052,700</u>	<u>2,824,652</u>	<u>\$ 228,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			<u>805,828</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 805,828</u>	

See accompanying Notes to Financial Statements.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY

The State Game Commission and the Department of Game and Fish were created by the laws of 1921, Chapter 17 (17-1-1 through 17-7-3) NMSA, 1978 Compilation.

Management

The Department of Game and Fish is headed by the State Game Commission (the Commission). Under the terms of Section 17-1-2, NMSA, 1978, the Commission is composed of seven members appointed by the Governor with the advice and consent of the Senate for four-year terms. A director is employed by the Commission.

Role of the Department

Under Chapter 17 of the New Mexico Statutes, 1978 Compilation (NMSA 1978), the Department of Game and Fish (the Department) is charged with the following responsibilities: to provide an adequate and flexible system for the protection of the game and fish of the State of New Mexico (the State); the use of these resources for public recreation and food supply; and for the propagation of game by planting, protection, regulation, and conservation to the extent necessary to maintain an adequate supply of game and fish within the State.

The principal goal of the Department is to manage all of the State's wildlife resources and their habitat for the enjoyment, appreciation, economic benefit, and scientific instruction of present and future generations of New Mexicans.

Divisions

In order to meet the goals and legislative mandates, the Department is organized by operational divisions. A summary of the functions of each division is set forth as follows:

The Administration Division is primarily responsible for the overall administration of day-to-day field activities. The Director's office coordinates the overall directives of the State Game Commission and administers all fish and wildlife activities of the Department. The deputy director and two assistant directors administer and direct the activities and management of the divisions. General Counsel, Planning, Resource Partnership, and Equal Employment Opportunity are under the Administration Division.

The Administrative Services Division provides and maintains fiscal and financial control records necessary for sound management of the Department. They develop effective internal control procedures to protect and establish accountability for all cash funds and other assets of the Department. Accounting records include hunting and fishing licenses, property inventories and supporting documents, financial reports, and claims for reimbursements.

The Ecosystem and Environmental Planning Division ensures the integrity of fish and wildlife habitats in conjunction with the Department's principal obligation of maintaining the viability of all species of wildlife in New Mexico. The Ecosystem and Environmental Planning Division oversees the endangered species, habitat environment, lands, fish and wildlife resource education, and the administration of the Sikes Act and Share with Wildlife programs.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

Divisions (Continued)

The Wildlife Management Division plans and coordinates all programs and activities involving research, management, regulation, propagation, planting, and habitat concerning game birds and game mammals. This Division participates and coordinates in delineating wildlife research needs that are essential to properly formulate management strategies with respect to a holistic approach to habitat management.

The Fisheries Management Division is concerned with the production and distribution of game fish, development of fishing waters, and management and research programs needed to protect and expand the sport fishing resources of the State. The State trout hatcheries are: Los Ojos Hatchery in Rio Arriba County; Red River Hatchery in Taos County; Seven Springs Hatchery in Sandoval County; Rock Lake Hatchery in Guadalupe County; Glenwood in Catron County; and Lisboa Springs in San Miguel County.

The Information and Education Division plans and coordinates the dissemination of information statewide. This includes public information and awareness programs concerning Department policies, programs, and activities. They utilize newspapers and other publications; produce radio and television programs; handle the State fair booth and other exhibits; assist all personnel with personal appearance programs before schools and organizations; publish *New Mexico Wildlife* magazine, informational literature, and hunting and fishing regulations; and supervise the conservation education and mandatory hunter training programs required by State Law.

The Law Enforcement and Field Operations Divisions consist of the four area offices of the Department, their district wildlife officers, and the staff in Santa Fe. Responsibilities of the Divisions include field patrol; investigations; hunter, angler, and trapper check; depredation control; acquisition of research and management data; covert enforcement operations; and support of virtually all Department functions.

The Information Systems Division provides database design and support; systems analysis; and software design, development, implementation, training, and support for computer applications used by the various divisions of the Department of Game and Fish. In addition, it maintains an extensive network of computers and communications equipment, along with a complete backup and disaster recovery system. It provides technical assistance to all users of both networked and personal computers. Its primary interest, however, is in ensuring that Department personnel have ready access to all available information and data needed by the Commission or the Department's administration for making well informed decisions in wildlife management issues.

Future Objectives

The Department's primary concern will continue to be the protection, conservation, and management of the State's wildlife resources. The Department will become increasingly involved in broader areas of environmental concern, particularly if man-made changes in the total environment and wildlife habitat have impacts upon the wildlife resource.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

Use of Estimates in Preparing 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Department is part of the primary government of the state of New Mexico, and its financial data is included with the financial data of the state of New Mexico.

Included within the financial report of the Department are all of the programs and funds that are administered or controlled by the Department.

No entities were noted that should be considered component units of the Department. No entities were specifically excluded as none were noted as meeting any of the criteria for potential inclusion. The Department has no component units.

Basic Financial Statements

The financial statements for the Department 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.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. The reporting model focus is on either the Department as a whole or major individual fund (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. In the government-wide statement of net position, the governmental activities column is presented on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term obligations.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The government-wide statement of activities reflects both the gross and net cost per functional category, which are otherwise being supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and grants. The program revenues must be directly associated with the function. Interfund balances have been eliminated in the government-wide financial statements.

The net cost (by function) is normally covered by general revenues (intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Emphasis in fund financial statements is on the major funds in the governmental category.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (1) demonstrate legal compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the Department's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column on the government-wide presentation.

The financial transactions of the Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues, and expenditures. The various funds are reported by generic classification within the financial statements.

Basis of Presentation – Fund Accounting

The following fund types and account groups are used by the Department:

Governmental Funds

Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – Fund Accounting (Continued)

Governmental Funds (Continued)

Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. However, they are reported as liabilities in the government-wide financial statements.

The **Operating Fund** of the Department is comprised of the following:

Game Protection Fund – SHARE Fund No. 19800 is the general operating fund of the Department. It is used to account for all financial resources, except those required to be accounted for in another fund. Under Section 17-1-14, NMSA, 1978, the Game Protection Fund is a nonreverting fund. The Commission shall have general control over the collection and disbursement of all money collected or received under the State laws for the protection and propagation of game and fish. The money shall be paid over to the State Treasurer to the credit of the Game Protection Fund, and the Fund, including all earned income there from, shall not be transferred to another fund. Chapter 17 NMSA 1978 shall be a guaranty to the person who pays for hunting and fishing licenses and permits that the money in the Fund shall not be used for any purpose other than as provided in Chapter 17 NMSA 1978. Additionally, the *Operation Game Thief/Law Enforcement* - SHARE Fund No. 78700/78710 includes the cash balances in the Operation Game Thief/Law Enforcement Fund which consists of donations and unused special hunt fees. The money is used to reward anonymous callers who turn in wildlife violators to the Department. This fund is not maintained by the Department of Finance and Administration. It has a separate bank account.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds are:

Big Game Enhancement Fund – SHARE Fund No. 77200. Under the terms of Section 17-3-16.1 through 17-3-16.6, NMSA, 1978 compilation, all money collected from the issuance and sale of the bighorn sheep and elk enhancement permits shall be credited to the Big Game Enhancement Fund to be used exclusively for bighorn sheep, elk, and deer preservation, restoration, and management. Under Section 17-1-14, NMSA, 1978, the fund is a nonreverting fund. The Big Game Enhancement Fund is a major fund.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – Fund Accounting (Continued)

Special Revenue Funds (Continued)

Habitat Management Fund – SHARE Fund No. 49400. The Habitat Management Fund was created under Section 17-4-34, NMSA, 1978. The fund is a nonreverting fund. The purpose of the fund is for the improvement, maintenance, development, and operation of property for fish and wildlife habitat management. It is funded through the sale of habitat management stamps. Anyone purchasing a resident or nonresident license or a wildlife-associated recreation permit must purchase a habitat management stamp. The Habitat Management Fund is a nonmajor fund.

Big Game Depredation Fund – SHARE Fund No. 54900. The Big Game Depredation Fund was created by the 2001 Legislature to establish a program to correct damage to federal, state, or private land caused by big game and to prevent such damage in the future. It is funded through the sale of big game depredation stamps. Anyone purchasing a big game hunting license must purchase a big game depredation stamp. Under Section 17-3-13.4, NMSA 1978, the fund is a nonreverting fund. The Big Game Depredation Fund is a nonmajor fund.

Trail Safety Fund – SHARE Fund No. 10840. The Trail Safety Fund was established under statute 66-3-1019, NMSA 1978. The fund is nonreverting and consists of revenues from off-highway motor vehicle registration and user fees, grants, and donations. The Trail Safety Fund is a nonmajor fund.

Sikes Act Fund – SHARE Fund No. 09700. The Sikes Act Fund was created by U.S. Public Law 93-452 (Sikes Act). The fund is used to account for the issuance and sale of public land management area stamps. The fees collected for these stamps are used exclusively in carrying out conservation and rehabilitation programs as defined in the Sikes Act. Under Section 17-1-14, NMSA, 1978, the fund is a nonreverting fund. The Sikes Act Fund is a nonmajor fund.

Share with Wildlife Fund – SHARE Fund No. 30700. The need for a “Share with Wildlife Fund” was established by Chapter 343, Laws of 1981, which required that additional wildlife funds be provided from a voluntary check-off designation of tax refunds due to the taxpayer on the New Mexico state income tax form. This program is supplemental to any other funding and is in no way intended to take the place of the funding that would otherwise be appropriated to the Department. Under Section 17-1-14, NMSA, 1978, the fund is a nonreverting fund. The Share with Wildlife Fund is a nonmajor fund.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – Fund Accounting (Continued)

Debt Service Fund

Debt Service Funds are funds used to account for the repayment of principal and interest of long-term debt. The Debt Service Fund is:

Bond Interest and Retirement Fund – SHARE Fund No. 42800. Under Section 17-1- 22, NMSA, 1978, the fund is a nonreverting fund and is used to account for the accumulation of resources to pay for future payment of principal and interest of bonds issued under the Game and Fish Bond Act as needed. The fund collects interest and license fees. The Bond Interest and Retirement Fund is a nonmajor fund.

Capital Projects Fund

Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Projects Fund – SHARE Fund No. 88700. Under Section 17-1-22, NMSA, 1978, the fund is a nonreverting fund and is used to account for the capital projects undertaken by the Department as well as major repairs to, as approved by the Commission. Funds deposited and utilized to finance the projects include the remaining monies from the Fish and Wildlife Conservation Bonds of 1976 or surplus funds from the Bond Retirement Fund. The Capital Projects Fund is a major fund.

STB Capital Outlay Fund – SHARE Fund No. 89200. This capital project fund is used to account for severance tax bond funded capital projects. The fund is reverting. The STB Capital Outlay Fund is a nonmajor fund.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual Basis

The accrual basis of accounting is utilized by the governmental activities in the government-wide financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Modified Accrual Basis

All governmental funds (in the fund financial statements) are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Reconciliations are presented on the pages following the fund balance sheets and the statement of revenues, expenditures, and changes in fund balance. The reconciliations briefly explain the adjustments necessary to transform the fund-based financial statements (modified accrual basis) into the government-wide presentation (full accrual).

Cash

Cash consists of cash on deposit with area banks, which is held for use by the Law Enforcement Division. It also reflects a minor amount of cash maintained in petty cash accounts. In the normal course of cash activity, the Department maintains cash at financial institutions below the Federal Deposit Insurance Corporation insured limits.

Investments Held by State Treasurer's Office

Investments held by the New Mexico State Treasurer's Office consist of required deposits made to the State Treasurer's Office (STO). STO monitors the accounts and issues separate financial statements, which disclose the collateral pledged to secure these deposits. The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance. The investments are valued at fair value based on quoted market prices as of the valuation date.

It is the Department's position that all deposits with STO are reported at carrying value, which reasonably estimates fair value.

The State Treasurer's Office audited financial statements can be obtained from the State Treasurer, Office of the State Treasurer, PO Box 5135, Santa Fe, NM 87505.

Receivables

Federal

Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date.

Vendors

Accounts receivable from vendors represent amounts due from the sale of hunting and fishing licenses. Amounts are to be remitted to the Department when the total amount due (including license and vendor fees) to the Department reaches \$5,000 or every two weeks, whichever comes first. All receivables are believed to be fully collectible; therefore, no allowance has been recorded.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Interest

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Governmental Funds

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). *Restricted* 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 Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation. See Note 14 for additional information about fund balances. Any remaining fund balance would be unrestricted.

Use of Restricted Resources

The Department applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Receivables and Payables

Short-term amounts owed between funds are classified as "Due to/from Other Funds" in the fund statements. In the government-wide statements, these amounts are eliminated.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statements. The valuation bases for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement. Items purchased or acquired with an original cost of \$5,000 or more are capitalized and reported at cost or estimated historical cost. The significant threshold related to aggregate capital asset acquisition is \$200,000. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are also capitalized. Costs for repairs and maintenance are expensed as incurred.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation on assets is provided on a straight-line basis with no salvage value over the following estimated useful lives:

Fencing	10 to 15 Years
Furniture and Fixtures	10 Years
Data Processing Equipment	5 to 10 Years
Equipment	5 to 20 Years
Automobiles	6 to 15 Years
Buildings and Structures	25 to 50 Years
Right-to-Use Lease Equipment	5 to 20 Years
Right-to-Use Lease Buildings	3 to 50 Years
Right-to-Use IT Subscription	5 to 10 Years
Infrastructure	12 to 30 Years

Land, rights and easements, and work in progress are not depreciated. Software acquired is capitalized and depreciated over five years. The Department has no internally developed software that requires capitalization.

Leases

Lessee

The Department is a lessee for noncancellable leases of equipment. The Department recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide financial statements. The Department recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Department initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how The Department determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Department uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, The Department generally uses its estimated incremental borrowing rate, as established by the New Mexico State Controller, as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Leasee (Continued)

The Department monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Subscription-Based Information Technology Arrangements

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

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long- term debt on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department did not have any items that qualified for reporting in this category as of June 30, 2025.

In addition to liabilities, the statement of financial position 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 that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Department did not have any items that were required to be reported in this category as of June 30, 2025.

Compensated Absences

The liability for compensated absences reported in the government-wide fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of 80 to 160 hours per year, depending upon length of service and employee's hire date. A maximum of 30 working days (240 hours) of such accumulated annual leave may be carried forward into the beginning of the calendar year and any excess leave is lost.

When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of 240 hours. Accumulated annual leave is not expected to be liquidated with expendable available financial resources and is reported only in the government- wide financial statements.

Qualified employees are entitled to accumulate sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave that an employee may accumulate. Once per fiscal year in either January or July, employees may elect to be paid up to 50% of accrued sick leave in excess of 600 up to 720 hours, but not to exceed 120 hours (net 60 hours can be paid). In the case of retiring employees, up to 200 net hours in excess of the 600 hour minimum limit can be paid. Sick leave balances from 600 to 720 hours are recorded at 50% of the employee's current hourly rate in the compensated absences category.

Other Postemployment Benefits (OPEB)

The Department, as part of the primary government of the state of New Mexico, is a contributing employer to a cost-sharing defined benefit post-employment healthcare plan administered by the New Mexico Retiree Healthcare Authority (RHCA). Overall, the total other postemployment benefit liability exceeds Plan net position resulting in a net other postemployment benefit liability. The State has determined the State's share of the net other postemployment benefit liability to be a liability of the State as a whole, rather than any agency or department of the State and will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Annual Comprehensive Financial Report (ACFR) of the State of New Mexico.

Information concerning the net other postemployment benefit liability, other postemployment benefit expense, and other postemployment benefit-related deferred inflows and outflows of resources of the primary government will be contained in 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.

Pensions

The Department, 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). Overall, the total pension liability exceeds plan net position resulting in a net pension liability. The State has determined the State's share of the net pension liability to be a liability of the State as a whole, rather than any agency or department of the State and will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the State's Annual Comprehensive Financial Report (ACFR) of the State of New Mexico.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (Continued)

Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in 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.

Program Revenues

Revenue items included in program revenues consist of license revenue, comprised of sales of fishing and hunting licenses, permits, special use stamps, application and other fees related to hunting and fishing. Items included in other revenue consist of OHV registration fees, penalties and fines, permits, sale of crops, game and other goods, donations, lease of land and equipment, and other miscellaneous sales.

Budgets and Budgetary Accounting

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

Legal compliance is monitored through the establishment of a budget and a financial control system that permits a budget to actual expenditure comparison. Expenditures by category may not legally exceed appropriations. Budgeted line-item classifications may be amended upon approval from the State Budget Division. The basis of accounting for the budget, as appropriated by the State Legislature and approved by the State Budget Division, differs from the basis of accounting required by GAAP.

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, "For the purpose of administering the General Appropriation Act of 2008 and approving operating budgets, the State of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration." The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year's budget.

Encumbrances related to single year appropriations lapse at year-end. Appropriation periods are sometimes for periods in excess of 12 months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the program level. There are no encumbrances outstanding at year-end with the exception of Capital Projects, Fund 88700, because the Capital Projects Fund includes multi-year appropriations.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

The government-wide statements utilize a net position presentation categorized as follows:

Net Investment in Capital Assets – This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

Restricted Net Position – For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position used are imposed by law through constitutional provisions or enabling legislation and third parties through contracts and grant agreements.

Unrestricted Net Position – This category reflects net position of the Department not restricted for any project or other purpose.

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

Adoption of New Accounting Standards

GASB Statement No. 101, *Compensated Absences*, issued June 2022 and was adopted by the District Attorney beginning with its fiscal year ended June 30, 2025. Statement No. 101 provides guidance on the accounting and financial reporting for compensated absences. The adoption of this standard resulted in a restatement to the beginning balance of compensated absences and net position presented on the financial statements of the District Attorney. Refer to Note 13.

NOTE 3 CASH

The carrying value of cash in banks consists of cash on deposit with area banks amounting to \$203,748, which is primarily held for use by the Law Enforcement Division. These deposits are insured or collateralized with securities held by its agent in the entity's name. The Department completes a cash reconciliation, by fund, to verify the cash balances that are stated in the State's central account system, SHARE. This process has been in place prior to the implementation of SHARE and it will continue monthly for the Department.

NOTE 4 INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL

Compliant with statute 6-10-3 (NMSA 1978), and to optimize state cash management and investment practices funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office (STO). Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP.

NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL (CONTINUED)

The State Controller indicated that the reconciliation process is sound and the Department of Finance and Administration is in fully compliant with reconciliation requirements. As of June 30, 2025, resources in the pool matched the claims of the corresponding business units on those resources and all claims, as recorded in SHARE, shall be honored at face value.

The Department has established daily and monthly procedures that mitigate the risk of misstatement of the Department's balances within the Pool. In addition, as required by Section 6-5-2.1 (J) NMSA 1978, DFA/FCD is to complete, on a monthly basis, reconciliation with the balances and accounts kept by STO and adopt and promulgate rules regarding reconciliation for state agencies.

State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by STO, with the exception of those belonging to the Share with Wildlife Fund (see Schedule of Cash Accounts). Accordingly, the investments of the Department consist of an interest in the State General Fund Investment Pool managed by STO. The balance in the New Mexico State Treasurer's Investment pool at June 30, 2025 is \$63,404,892.

The state treasurer invests excess cash balances on behalf of certain earmarked funds of state agencies identified by state statute and local governments. Interest earnings are distributed based on average outstanding cash balances for local governments and the state agencies where interest is allowed to be earned. All other interest earnings are transferred to the state general fund.

The state treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the state treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50% of the average investment balance.

The Department follows GASB 40, *Deposit and Investment Risk Disclosures*. GASB 40 requires certain disclosures when balances with financial institutions exceed depository insurance. The Department does not have credit quality, deposit custodial credit, security custodial credit, concentration of credit, or foreign currency risks.

Interest Rate Risk

The STO has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

For additional GASB 40 disclosure information regarding cash held by the state treasurer, the reader should see the separate financial statements for the state treasurer's office for the fiscal year ended June 30, 2025.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets follows:

Governmental-Type Activities	Balance, June 30, 2024	Additions	Deletions	Transfers	Balance, June 30, 2025
Assets Being Depreciated:					
Infrastructure	\$ 42,689,841	\$ 630,018	\$ -	\$ -	\$ 43,319,859
Fencing	5,673,089	391,601	(169,020)	-	5,895,670
Furniture and Fixtures	808,520				808,520
Data Processing					
Equipment	1,413,791	5,579	(21,170)	-	1,398,200
Equipment	7,932,462	1,001,324	(413,477)	211,698	8,732,007
Automobiles	12,711,260	1,402,332	(711,963)	-	13,401,629
Buildings and Structures	67,522,151	2,914,883	-	698,578	71,135,612
Total Assets Being Depreciated	138,751,114	6,345,737	(1,315,630)	910,276	144,691,497
Right-to-Use Lease Asset:					
Buildings	537,436	1,048,684	-	-	1,586,120
Equipment	95,109	-	-	-	95,109
IT Subscription	44,318	94,532	-	-	138,850
Total Right-to-Use Lease Assets	676,863	1,143,216	-	-	1,820,079
Less: Accumulated Depreciation:					
Infrastructure	(16,502,543)	(1,468,354)	-	-	(17,970,897)
Fencing	(3,071,435)	(427,061)	166,647	-	(3,331,849)
Furniture and Fixtures	(646,014)	(24,455)	-	-	(670,469)
Data Processing					
Equipment	(975,312)	(119,254)	14,819	-	(1,079,747)
Equipment	(5,719,781)	(349,613)	413,477	-	(5,655,917)
Automobiles	(8,599,677)	(1,106,835)	711,963	-	(8,994,549)
Buildings and Structures	(22,645,066)	(1,894,009)	-	-	(24,539,075)
Total Accumulated Depreciation	(58,159,828)	(5,389,581)	1,306,906	-	(62,242,503)
Less: Lease Asset: Accumulated Amortization:					
Buildings	(537,436)	(157,303)	-	-	(694,739)
Equipment	(23,186)	(27,508)	-	-	(50,694)
IT Subscription	(18,310)	(63,948)	-	-	(82,258)
Total Right-to-Use Lease Assets Being Amortized	(578,932)	(248,759)	-	-	(827,691)
Assets Not Being Depreciated:					
Land	76,412,162	3,290,576	-	-	79,702,738
Rights and Easements	808,522	-	-	-	808,522
Work in Progress	981,565	333,117	-	(910,276)	404,406
Total Assets Not Being Depreciated	78,202,249	3,623,693	-	(910,276)	80,915,666
Net Total Capital Assets	\$ 158,891,466	\$ 5,474,306	\$ (8,724)	\$ -	\$ 164,357,048

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization of \$5,638,340 was charged to the Game and Fish Resource Conservation activity on the statement of activities.

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

Governmental-Type Activities	Balance at June 30, 2024*	Increase	Decrease	Balance at June 30, 2025	Due Within One Year
Leases Payable	\$ 72,617	\$ 1,048,684	\$ (172,502)	\$ 948,799	\$ 227,868
Subscriptions Payable	22,395	94,532	(57,821)	59,106	59,106
Compensated Absences Payable	3,874,415	-	(194,804) **	3,679,611	2,575,727
Total Governmental Activities	<u>\$ 3,969,427</u>	<u>\$ 1,143,216</u>	<u>\$ (425,127)</u>	<u>\$ 4,687,516</u>	<u>\$ 2,862,701</u>

* The beginning balance of compensated absences was restated due to the implementation of GASB Statement No. 101, see Note 13.

** The change in the compensated absence liability is presented as a net change.

Leases Payable

The Department leases an office facility under a long-term, noncancelable lease agreement. The lease expires in September 2029, and has an interest rate of 3.70%.

The Department leases mailroom equipment under a long-term lease agreement. The lease expires in June 2027, and has an interest rate of 2.21%.

The Department leases medical equipment under a long-term lease agreement. The lease expires in December 2026, and has an interest rate of 2.13%.

Total future minimum lease payments under these lease agreements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 227,868	\$ 30,762
2027	224,996	22,679
2028	215,335	14,722
2029	223,439	6,618
2030	57,161	353
Total	<u>\$ 948,799</u>	<u>\$ 75,134</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Subscription-Based Information Technology Arrangement

The Department entered into a SBITA for a software platform. The SBITA arrangement expires in October 2025, and has an interest rate of 2.20%.

The future subscription payment under the SBITA agreement is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	<u>\$ 59,106</u>	<u>\$ 708</u>

NOTE 7 OPERATING TRANSFERS

Operating transfers consist of the following for the year ended June 30, 2025:

<u>Agency/Fund</u>		<u>Intra-Agency Transfers</u>		
		<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
516-19800	Game Protection Fund - Major Fund	\$ -	\$ (8,000,000)	\$ (8,000,000)
516-88700	Capital Projects Fund - Major Fund	15,000,000	(73,176)	14,926,824
516-77200	Big Game Enhancement - Major Fund	73,176	-	73,176
516-77200	Big Game Enhancement - Major Fund	-	(2,000,000)	(2,000,000)
516-49400	Habitat Management	-	(2,000,000)	(2,000,000)
516-09700	Sikes Act Fund	-	(2,500,000)	(2,500,000)
516-10840	Trail Safety Fund	-	(500,000)	(500,000)
Total		<u>\$ 15,073,176</u>	<u>\$ (15,073,176)</u>	<u>\$ -</u>
<u>Other Agency/Fund</u>		<u>Inter-Agency Transfers</u>		
		<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
51600- 89200	34103-68350 NM Dept. of Finance and Admin - Severance Tax Bond Proceeds	\$ 200,000	\$ -	\$ 200,000
51600-19800	55000-24100 NM Office of State Engineer -Transfer cash reversion	61,621	-	61,621
51600-19800	55000-21400 NM Office of State Engineer -Ute Dame/Eagle Nest Damn Operations	-	(182,300)	(182,300)
51600-19800	34100 - 82940 NM Dept. of Finance and Admin -Land of Enchantment Distribution	2,750,000	-	2,750,000
51600-19800	34100 - 00900 NM Dept. of Finance and Admin -Laws 2025, Ch 160 Sec 7 I19, 17, 22	1,000,000	-	1,000,000
Total		<u>\$ 4,011,621</u>	<u>\$ (182,300)</u>	<u>\$ 3,829,321</u>

Intra-Agency transfers relate to capital project activity.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

The Department participates in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.nmpera.org.

Funding Policy

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 17.24% of the gross covered salary. The contribution requirements of plan members and the Department are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal year ended June 30, 2025, were \$3,776,836, which equals the amount of the required contributions for the year.

NOTE 9 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

Plan Description

The Department 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 healthcare insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 9 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN
(CONTINUED)**

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.

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 plans 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, 2025, 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, 2025, the statute required each participating employer to contribute 2.0% of each participating employee's annual 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, 2015, 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 Department's contributions to the RHCA for the year ended June 30, 2025, were \$392,605, which equals the required contributions for each year.

NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 COMMITMENTS AND CONTINGENCIES

As of June 30, 2025, the Department has entered into construction contracts totaling \$3,425,086.

The Department receives funds from federal agencies. These funds are subject to audit and adjustment to the granting agency. Any disallowed amounts resulting from these audits would be required to be refunded.

The Department is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Department's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Department.

NOTE 11 RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the agency carries insurance (Workers' Compensation, Unemployment Compensation, Employee Liability, and Transportation Property) with the State of New Mexico Risk Management Division (RMD) of the General Services Department. There are no known pending or threatened legal proceedings involving material matters to which the Department is party. There were no significant reductions or changes in insurance coverage from the prior year. Settled claims did not exceed coverage in any of the past three fiscal years.

NOTE 12 JOINT POWERS AGREEMENTS

The Department enters into various Joint Powers Agreements from time to time with other governments in order to complete certain projects that are mutually beneficial to the Department or for a specific service. Refer to Supplementary Schedule of Joint Powers Agreements for more detail.

NOTE 13 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2025, the District Attorney implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$1,933,471.

Net position was restated as follows:

Net Position - Beginning of Year, As Originally Reported	\$ 216,609,939
Restatement	<u>(1,933,471)</u>
Net Position - Beginning, As Restated	<u><u>\$ 214,676,468</u></u>

NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 GOVERNMENTAL FUND BALANCES

The Department's fund balances represent: 1) restricted purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, granters, contributors, or laws or regulations of other governments; 2) committed purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; and 3) assigned purposes, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2025, follows:

The Department's fund balances are restricted under the Code of Federal Regulation – Title 50: Wildlife and Fisheries.

50 CFR 80.3 – Assent Legislation states: A State fish and wildlife agency must certify the number of people having paid licenses to hunt and paid licenses to fish because the Service uses these data in statutory formulas to apportion funds in the Wildlife Restoration and Sport Fish Restoration programs among the States.

50 CFR 80.4 – Diversion of license fees states: Revenues from license fees paid by hunters and fishermen shall not be diverted to purposes other than administration of the State fish and wildlife agency.

(a) Revenues from license fees paid by hunters and fishermen are any revenues the State receives from the sale of licenses issued by the State conveying to a person the privilege to pursue or take wildlife or fish. For the purpose of this rule, revenue with respect to license sales by vendors is considered to be the net income to the State after deducting reasonable vendor fees or similar amounts retained by sales agents. License revenues include income from:

- (1) General or special licenses, permits, stamps, tags, access and recreation fees, or other charges imposed by the state to hunt or fish for sport or recreation.
- (2) Sale, lease, rental, or other granting of rights of real or personal property acquired or produced with license revenues. Real property includes, but is not limited to, lands, building, minerals, energy resources, timber, grazing, and animal products. Personal property includes, but is not limited to, equipment, vehicles, machine, tools, and annual crops.
- (3) Interest, dividends, or other income earned on license revenues.
- (4) Project reimbursements to the states to the extent that license revenues originally funded the project for which the reimbursement is being made.

(b) For purposes of this rule, administration of the state fish and wildlife agency include only those functions required to manage the fish and wildlife-oriented resources of the State for which the agency has authority under State law.

NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 GOVERNMENTAL FUND BALANCES (CONTINUED)

- (c) A diversion of license fee revenues occurs when any portion of license revenues is used for any purpose other than the administration of the state fish and wildlife agency.
- (d) If a diversion of license revenues occurs, the State becomes ineligible to participate under the pertinent Act from the date the diversion is declared by the Director until:
 - (1) Adequate legislative prohibitions are in place to prevent diversion of license revenue, and
 - (2) All license revenues or assets acquired with license revenues are restored, or an amount equal to license revenue diverted or current market value of assets diverted (whichever is greater) is returned and properly available for use for the administration of the State fish and wildlife agency.
- (e) Federal funds obligated for projects approved prior to the date a diversion is declared remain available for expenditure on such projects without regard to the intervening period of the State's ineligibility.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 GOVERNMENTAL FUND BALANCES (CONTINUED)

	General Fund	Major Special Revenue	Major Capital Projects	Nonmajor Special Revenue Funds				Debt Service Bond Interest and Retirement Fund	Capital Project STB Capital Outlay Fund	Total	
	Game Protection Fund 19800	Big Game Enhancement 77200	Capital Projects 88700	Habitat Management 49400	Big Game Depredation 54900	Trail Safety Fund 10840	Sikes Act 97000	Share with Wildlife 30700	42800	89200	Total
Fund Balances:											
Restricted for:											
50 CFR 80.3 and 80.4:											
Capital Projects	\$ -	\$ -	\$ 20,626,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,626,600
Wildlife and Fisheries	18,112,759	8,614,343	-	2,986,699	3,827,315	1,853,363	4,713,875	1,470,189	1,080,895	-	42,659,438
Total	<u>\$ 18,112,759</u>	<u>\$ 8,614,343</u>	<u>\$ 20,626,600</u>	<u>\$ 2,986,699</u>	<u>\$ 3,827,315</u>	<u>\$ 1,853,363</u>	<u>\$ 4,713,875</u>	<u>\$ 1,470,189</u>	<u>\$ 1,080,895</u>	<u>\$ -</u>	<u>\$ 63,286,038</u>

NOTE 15 OTHER

The Department will issue the Single Audit Report under separate cover. This report will be forthcoming once the final version of the Uniform Guidance Compliance Supplement has been officially released.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
COMBINING BALANCE SHEET – COMPONENTS OF THE OPERATING FUND
JUNE 30, 2025**

	Game Protection Fund - 19800	Law Enforcement Fund - 78700	Operation Game Thief Fund - 78710	Total Operating Fund
ASSETS				
Cash on Hand	\$ 3,530	\$ -	\$ -	\$ 3,530
Cash	-	33,301	170,447	203,748
State General Fund Investment Pool	17,270,705	-	-	17,270,705
Receivables:				
Accounts Receivable	284,943	-	-	284,943
Due from Federal Government	4,483,667	-	-	4,483,667
 Total Assets	 <u>\$ 22,042,845</u>	 <u>\$ 33,301</u>	 <u>\$ 170,447</u>	 <u>\$ 22,246,593</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,336,537	\$ -	\$ -	\$ 3,336,537
Accrued Payroll	697,297	-	-	697,297
Other Liabilities	100,000	-	-	100,000
Total Liabilities	<u>4,133,834</u>	<u>-</u>	<u>-</u>	<u>4,133,834</u>
FUND BALANCES				
Restricted	17,909,011	33,301	170,447	18,112,759
Total Fund Balances	<u>17,909,011</u>	<u>33,301</u>	<u>170,447</u>	<u>18,112,759</u>
 Total Liabilities and Fund Balances	 <u>\$ 22,042,845</u>	 <u>\$ 33,301</u>	 <u>\$ 170,447</u>	 <u>\$ 22,246,593</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
COMPONENTS OF THE OPERATING FUND
YEAR ENDED JUNE 30, 2025**

	Game Protection Fund - 19800	Law Enforcement Fund - 78700	Operation Game Thief Fund - 78710	Total Operating Fund
REVENUES				
License Revenue	\$ 29,018,439	\$ -	\$ -	\$ 29,018,439
Federal and Other Grants	20,883,522	-	-	20,883,522
Penalties	214,646	-	-	214,646
Interest Earned	1,190,587	-	-	1,190,587
Other Revenue	944,708	246	28,263	973,217
Total Revenues	<u>52,251,902</u>	<u>246</u>	<u>28,263</u>	<u>52,280,411</u>
EXPENDITURES				
Current:				
Game and Fish Resource				
Conservation	46,973,343	1,950	9,996	46,985,289
Debt Service:				
Principal	230,323	-	-	230,323
Interest	30,605	-	-	30,605
Capital Outlay	7,230,596	-	-	7,230,596
Total Expenditures	<u>54,464,867</u>	<u>1,950</u>	<u>9,996</u>	<u>54,476,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,212,965)	(1,704)	18,267	(2,196,402)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	252,675	-	-	252,675
Intra-Agency Transfers Out	(8,000,000)	-	-	(8,000,000)
Inter-Agency Transfer In	3,811,621	-	-	3,811,621
Inter-Agency Transfer Out	(182,300)	-	-	(182,300)
Debt Proceeds - Leases and SBITA	1,143,216	-	-	1,143,216
Total Other Financing Sources (Uses)	<u>(2,974,788)</u>	<u>-</u>	<u>-</u>	<u>(2,974,788)</u>
NET CHANGE IN FUND BALANCES	(5,187,753)	(1,704)	18,267	(5,171,190)
Fund Balances - Beginning of Year	<u>23,096,764</u>	<u>35,005</u>	<u>152,180</u>	<u>23,283,949</u>
FUND BALANCES - END OF YEAR	<u>\$ 17,909,011</u>	<u>\$ 33,301</u>	<u>\$ 170,447</u>	<u>\$ 18,112,759</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds			
	Habitat Management Fund - 49400	Big Game Depredation Fund - 54900	Trail Safety Fund - 10840	Sikes Act Fund - 09700
ASSETS				
State General Fund Investment Pool	\$ 2,932,606	\$ 3,827,315	\$ 1,969,733	\$ 4,713,875
Receivables:				
Due from Federal Government	116,844	-	92	-
Total Assets	<u>\$ 3,049,450</u>	<u>\$ 3,827,315</u>	<u>\$ 1,969,825</u>	<u>\$ 4,713,875</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 62,751	\$ -	\$ 109,647	\$ -
Accrued Payroll	-	-	6,815	-
Other Liabilities	-	-	-	-
Total Liabilities	<u>62,751</u>	<u>-</u>	<u>116,462</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>2,986,699</u>	<u>3,827,315</u>	<u>1,853,363</u>	<u>4,713,875</u>
Total Fund Balances	<u>2,986,699</u>	<u>3,827,315</u>	<u>1,853,363</u>	<u>4,713,875</u>
Total Liabilities and Fund Balances	<u>\$ 3,049,450</u>	<u>\$ 3,827,315</u>	<u>\$ 1,969,825</u>	<u>\$ 4,713,875</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

	Special Revenue Fund	Debt Service Fund	Capital Project Fund	
	Share with Wildlife Fund - 30700	Bond Interest and Retirement Fund - 42800	STB Capital Outlay Fund - 89200	Total
ASSETS				
State General Fund Investment Pool	\$ 1,493,631	\$ 1,080,895	\$ -	\$ 16,018,055
Receivables:				
Due from Federal Government	49,151	-	-	166,087
Total Assets	<u>\$ 1,542,782</u>	<u>\$ 1,080,895</u>	<u>\$ -</u>	<u>\$ 16,184,142</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 72,593	\$ -	\$ -	\$ 244,991
Accrued Payroll	-	-	-	6,815
Other Liabilities	-	-	-	-
Total Liabilities	<u>72,593</u>	<u>-</u>	<u>-</u>	<u>251,806</u>
FUND BALANCES				
Restricted	1,470,189	1,080,895	-	15,932,336
Total Fund Balances	<u>1,470,189</u>	<u>1,080,895</u>	<u>-</u>	<u>15,932,336</u>
Total Liabilities and Fund Balances	<u>\$ 1,542,782</u>	<u>\$ 1,080,895</u>	<u>\$ -</u>	<u>\$ 16,184,142</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			
	Habitat Management Fund - 49400	Big Game Depredation Fund - 54900	Trail Safety Fund - 10840	Sikes Act Fund - 09700
REVENUES				
License Revenue	\$ 891,572	\$ 475,244	\$ -	\$ 2,067,460
Federal and Other Grants	334,516	-	581	80,690
Interest Earned	-	136,402	74,382	154,802
Other Revenue	-	-	993,900	-
Total Revenues	<u>1,226,088</u>	<u>611,646</u>	<u>1,068,863</u>	<u>2,302,952</u>
EXPENDITURES				
Current:				
Game and Fish Resource				
Conservation	145,081	15,166	670,826	242,522
Capital Outlay	319,003	66,636	89,800	-
Total Expenditures	<u>464,084</u>	<u>81,802</u>	<u>760,626</u>	<u>242,522</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	762,004	529,844	308,237	2,060,430
OTHER FINANCING SOURCES (USES)				
Intra-Agency Transfers In	-	-	-	-
Intra-Agency Transfers Out	(2,000,000)	-	(500,000)	(2,500,000)
Inter-Agency Transfer In	-	-	-	-
Inter-Agency Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>-</u>	<u>(500,000)</u>	<u>(2,500,000)</u>
NET CHANGE IN FUND BALANCES	(1,237,996)	529,844	(191,763)	(439,570)
Fund Balances - Beginning of Year	<u>4,224,695</u>	<u>3,297,471</u>	<u>2,045,126</u>	<u>5,153,445</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,986,699</u>	<u>\$ 3,827,315</u>	<u>\$ 1,853,363</u>	<u>\$ 4,713,875</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Special Revenue Fund	Debt Service Fund	Capital Project Fund	
	Share with Wildlife Fund - 30700	Bond Interest and Retirement Fund - 42800	STB Capital Outlay Fund - 89200	Total
REVENUES				
License Revenue	\$ -	\$ 319,827	\$ -	\$ 3,754,103
Federal and Other Grants	108,455	-	-	524,242
Interest Earned	52,651	31,804	-	450,041
Other Revenue	190,665	-	-	1,184,565
Total Revenues	<u>351,771</u>	<u>351,631</u>	<u>-</u>	<u>5,912,951</u>
EXPENDITURES				
Current:				
Game and Fish Resource				
Conservation	198,674	-	187,346	1,459,615
Capital Outlay	-	-	-	475,439
Total Expenditures	<u>198,674</u>	<u>-</u>	<u>187,346</u>	<u>1,935,054</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	153,097	351,631	(187,346)	3,977,897
OTHER FINANCING SOURCES (USES)				
Intra-Agency Transfers In	-	-	-	-
Intra-Agency Transfers Out	-	-	-	(5,000,000)
Inter-Agency Transfer In	-	-	200,000	200,000
Inter-Agency Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>(4,800,000)</u>
NET CHANGE IN FUND BALANCES	153,097	351,631	12,654	(822,103)
Fund Balances - Beginning of Year	<u>1,317,092</u>	<u>729,264</u>	<u>(12,654)</u>	<u>16,754,439</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,470,189</u>	<u>\$ 1,080,895</u>	<u>\$ -</u>	<u>\$ 15,932,336</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SUPPLEMENTARY SCHEDULE OF CASH ACCOUNTS
YEAR ENDED JUNE 30, 2025**

Name of Depository	Account Name	Fund Type	SHARE System Fund No.	Type of Account	Bank Balance	Reconciling Items	Book Amount
New Mexico State Treasurer	Game Protection Fund	General	19800	State Treasury	\$ 17,270,705	\$ -	\$ 17,270,705
New Mexico State Treasurer	Big Game Enhancement Fund	Special Revenue	77200	State Treasury	8,516,412	-	8,516,412
New Mexico State Treasurer	Capital Projects Fund	Capital	88700	State Treasury	21,599,720	-	21,599,720
New Mexico State Treasurer	Habitat Management Fund	Special Revenue	49400	State Treasury	2,932,606	-	2,932,606
New Mexico State Treasurer	Big Game Depredation Fund	Special Revenue	54900	State Treasury	3,827,315	-	3,827,315
New Mexico State Treasurer	Trail Safety Fund	Special Revenue	10840	State Treasury	1,969,733	-	1,969,733
New Mexico State Treasurer	Sikes Fund	Special Revenue	09700	State Treasury	4,713,875	-	4,713,875
New Mexico State Treasurer	Share with Wildlife Fund	Special Revenue	30700	State Treasury	1,493,631	-	1,493,631
New Mexico State Treasurer	Bond Interest & Retirement Fund	Debt Service	42800	State Treasury	1,080,895	-	1,080,895
Total State Treasurer's Office Investment Pool					<u>\$ 63,404,892</u>	<u>\$ -</u>	<u>\$ 63,404,892</u>
Cash Held in Banks or Department:							
Wells Fargo Bank	Cash: Law Enforcement Account		78700	Checking, Interest-Bearing			\$ 33,301
Wells Fargo Bank	Cash: Game Thief Account		78710	Checking, Non-Interest-Bearing			170,447
Dept. of Game and Fish	Petty Cash - Cashier - Santa Fe			Petty Cash			<u>3,530</u>
Total Cash Held in Banks - Department of Game and Fish							<u>\$ 207,278</u>

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS
YEAR ENDED JUNE 30, 2025**

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
The purpose of this agreement is to permit WS to assist Department wildlife personnel in the reduction of damage to livestock and other property caused by wildlife to provide for public health and safety.	U.S. Dept. of Agriculture, Animal & Plant Health Inspection Service, Wildlife Services	7/1/2017	6/30/2027	\$ -	\$ -	NM Game & Fish
To acquire develop, improve, and manage lands for game refuges, hatcheries, game farms, resting and nesting grounds, dams, lakes ditches, flumes, waterways, right of way trails, roads, pipelines, canals, field stations, bird refuges, and for all purposes incidental to the propagation, preservation, protection, and management of game, birds, fish, and wildlife of the State of New Mexico.	New Mexico Energy, Minerals and Natural Resources Department (NMERD)	7/19/2007	Ongoing	\$ -	\$ -	NM Game & Fish
Section 17-1-14 and 17-14-1, Amendment 1 - To acquire, develop, improve, and manage lands for game refuges and for all purposes incidental to the propagation, preservation, protection, and management of the game, birds, fish, and wildlife of the State of New Mexico.	NMERD	2/7/1997	Ongoing	\$ -	\$ -	NM Game & Fish
Encourages direct communication among parties and with other appropriate federal and state agencies involved in managing the resources within or activities impacting the areas adjacent to the WIPP withdrawal area.	U.S. Dept. of Energy, NMERD, NM Office of Cultural Affairs, NM State Land Office	6/26/1997	One year after decommissioning of the WIPP Facility	\$ -	\$ -	NM Game & Fish
NMDGF to develop a recovery plan for all species listed as threatened or endangered. ISC to develop programs to protect water and stream systems within the state, research and study relating to biological and environmental needs of listed species.	NM Interstate Stream Commission (ISC)	4/1/2002	Ongoing	\$ -	\$ -	NM Game & Fish
To acquire, develop, improve, and manage lands for game refuges and for all purposes incidental to the propagation, preservation, protection, and management of the game, birds, fish, and wildlife of the state of New Mexico.	City of Hobbs	11/3/2008	Ongoing	\$ -	\$ -	NM Game & Fish
Mine waste at Upper Pecos Site, monitoring at the State Recreation Use Area Operational Unit, disburse funds to the state recreation use areas.	NM Dept. of Finance and Administration	7/17/1998	Ongoing	\$ -	\$ -	NM Game & Fish
Wildlife habitation protection, enhancement, and restoration of lands, promulgate forest habitat. Using Los Lunas Inmate Work Camps to reduce threat to life and property from forest fires.	NMERD - Forestry Division, NM Corrections Department	4/17/1998	Ongoing	\$ -	\$ -	NM Game & Fish
Under the Wallop-Breaux Amendment - construction and maintenance of boat use facilities on public-use waters in the state of New Mexico.	NMERD	6/14/2016	Ongoing	\$ -	\$ -	NM Game & Fish
Conduct wildlife damage management (WDM) activities to control damage and conflicts caused by wildlife in New Mexico. The activities will include employing available technologies through operational and technical assistance programs.	USDA Animal and Plant Health Inspection Service	7/1/2022	6/30/2027	\$ -	\$ -	NM Game & Fish
The purpose of this Agreement is to conduct wildlife damage management (WDM) activities to manage the transmission of plague and rabies to human populations, protect residential areas from damage and predation by wild animals, and manage losses to crops and livestock from damage and predation caused by wild and feral animals.	USDA Animal and Plant Health Inspection Service	8/1/2022	6/30/2027	\$ -	\$ -	NM Game & Fish



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

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., 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 governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison schedules of the general fund and major special revenue fund of the New Mexico Department of Game and Fish (the Department), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 14, 2025.

Report on Internal Control Over Financial Reporting

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

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

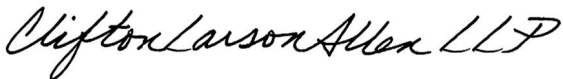
As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Department's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 14, 2025

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | |
|--|------------------|---------------------|
| 1. Type of auditors’ report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | _____ yes | <u> x </u> no |
| • Significant deficiency(ies) identified? | <u> x </u> yes | _____ none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes | <u> x </u> no |

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

2025 – 001 Accounts Payable

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During our search for unrecorded liabilities, we noted that the Department did not record expenditures nor the related liability for services rendered in the fiscal year 2025, amounting to approximately \$112,492. An entry was proposed and posted to record the expenditures and the related liability.

Criteria or specific requirement: According to NMSA 1978 §6.-5-2, the Financial Control Division (the division) shall issue a manual of model accounting practices containing the procedures and policies. State agencies shall comply with the model accounting practices established by the division, and the administrative head of each state agency shall ensure that the model accounting practices are followed. According to FIN 16 *General Accounting Practices* in the Manual of Model Accounting Practices, all reporting of financial information must be timely, complete, and accurate, to the State agency's management and to oversight agencies and entities.

Effect: Understatement of expenditure and liability.

Cause: The Department did not identify during its review of subsequent disbursements.

Recommendation: We recommend the Department review and update its process related to subsequent disbursements to ensure accruals are properly recorded to the financial records and adjustments made, as needed.

Views of responsible officials and planned corrective actions: The Department recognizes this audit finding and its responsibility to comply with FIN 16 General Accounting Practices in the Manual of Model Accounting Practices in which all reporting of financial information must be timely, complete, and accurate. According to the FY25 Year End Closing from DFA's Financial Control Division, fiscal year 2025 vouchers submitted between July 1st, and July 29th must be back dated to June 30, 2025. The questioned expenditures and the related liability were associated with multi-year appropriations and the vouchers were not back dated which led to mistakenly recording the expense in FY26 and not establishing the related liability. The Department has posted correcting entries to record the expenditure and the related liability in FY25. Additionally, the Department has corrected the FY26 entries. The Department currently performs a review of every disbursement, and the questioned expense was reviewed by both an internal DGF auditor and external auditor from DFA. The Department will continue to work diligently with appropriate staff to reduce errors and train new staff as vacancies are filled. As recommended by the auditor, the Department will conduct a secondary review of all subsequent disbursements to ensure accruals are properly recorded to the financial records and adjustments are made as needed.

Responsible Employee Position: CFO

Timeline: July 30, 2026

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

Section III – Other Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

FINDINGS — OTHER FINDINGS

2024 – 002 Fuel Cards – Resolved

**NEW MEXICO DEPARTMENT OF GAME AND FISH
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2025**

An exit conference was held with the Department on November 14, 2025. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH**

Richard Stump, Chair of the New Mexico State Game Commissioners
Mike Sloane, Director
Paul Varela, Chief of the Administrative Services Division
Joe Miano, Budget Director
Stephanie Tapia, Accountant/Auditor
Kayla Whittaker, Federal Aid Coordinator
Mary Medina, Federal Aid Auditor

CLIFTONLARSONALLEN LLP

Laura Beltran-Schmitz, CPA, CGFM, CFE, CICA, Principal
Jane Tinker, CPA, Director

PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared by CliftonLarsonAllen LLP (CLA) with assistance provided by the Department's personnel. The Department is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The Department has reviewed and approved the financial statements and notes to the financial statements.

CLA would like to acknowledge the courtesy and assistance extended to us during the course of the audit.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

NEW MEXICO DEPARTMENT OF GAME AND FISH
FEDERAL SINGLE AUDIT
(IN ACCORDANCE WITH THE SINGLE AUDIT ACT AND
APPLICABLE FEDERAL REGULATIONS)
YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**NEW MEXICO DEPARTMENT OF GAME AND FISH
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025**

OFFICIAL ROSTER (UNAUDITED)	1
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	2
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10
EXIT CONFERENCE	16

**NEW MEXICO DEPARTMENT OF GAME AND FISH
OFFICIAL ROSTER
YEAR ENDED JUNE 30, 2025**

Commission

Richard Stump	Appointed at-large, New Mexico	Chair
Sharon Salazar Hickey	District 4, New Mexico	Vice-Chair
Fernando Clemente Jr.	Appointed at-large, New Mexico	Commissioner
Gregg Fulfer	District 1, New Mexico	Commissioner
Vacant	District 2, New Mexico	Commissioner
Tirzio Lopez	District 3, New Mexico	Commissioner
Dr. Christopher C. Witt	District 5, New Mexico	Commissioner

Administrative Officials

Michael Sloane	Director and Secretary to the Commission
Vacant	Deputy Director
Jeremy Martin	General Counsel
Andrew Gildersleeve	Deputy General Counsel
Paul Varela	Chief of Administrative Services Division
Vacant	Chief of Information Services Division
Stewart Liley	Chief of Wildlife Management Division
Kirk Patten	Chief of Fisheries Management Division
Tristanna Bickford	Chief of Information and Education Division
Tim Cimbali	Colonel Field Operations



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

Members of the Commission
New Mexico Department of Game and Fish and
Mr. Joseph M. Maestas, P.E., 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 governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison schedules of the general fund and major special revenue fund of the New Mexico Department of Game and Fish (the Department), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 14, 2025.

Report on Internal Control Over Financial Reporting

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

Members of the Commission
New Mexico Department of Game and Fish
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

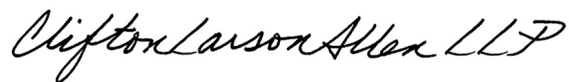
As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Department's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP
Albuquerque, New Mexico
November 14, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Commission
New Mexico Department of Game and Fish
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Mexico Department of Game and Fish's (the Department) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2025. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Department has complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Department's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Department's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Department's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Members of the Commission
New Mexico Department of Game and Fish
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

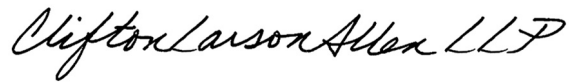
Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Members of the Commission
New Mexico Department of Game and Fish
Mr. Joseph M. Maestas, P.E., New Mexico State Auditor

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison schedules of the general fund and major special revenue fund of the Department as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements. We have issued our report thereon, dated November 14, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
February 3, 2026

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Interior:				
Fish and Wildlife Service				
Federal Direct:				
Fish and Wildlife Cluster:				
Sport Fish Restoration	15.605	N/A	\$ 236,250	\$ 6,076,983
Wildlife Restoration and Basic Hunter Education and Safety	15.611	N/A	750,000	15,087,026
Enhanced Hunter Education and Safety	15.626	N/A	-	43,219
Total Fish and Wildlife Cluster			<u>986,250</u>	<u>21,207,228</u>
 Fish and Wildlife Management Assistance	 15.608	 N/A	 -	 66,231
Cooperative Endangered Species Conservation Fund	15.615	N/A	-	163,463
State Wildlife Grants	15.634	N/A	176,767	1,118,282
Big Game Seasonal Movements	15.670	N/A	-	
<i>Passed Through Western Association of Fish and Wildlife Agencies:</i>				
Collaborative Landscape Conservation	15.669	WAFWA-2025	-	202,496
Total Direct Fish and Wildlife Service			<u>1,163,017</u>	<u>22,757,700</u>
 Bureau of Reclamation				
Federal Direct:				
Gila River Basin Native Fish	15.517	N/A	-	67,487
Endangered Fishery Recovery	15.529	N/A	-	197,252
Total Direct Bureau of Reclamation			<u>-</u>	<u>264,739</u>
 Total U.S. Department of Interior			<u>1,163,017</u>	<u>23,022,439</u>
 U.S Department of Justice:				
<i>Passed Through New Mexico Department of Public Safety:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	LE23JAG	-	29,139
Total U.S. Department of Justice			<u>-</u>	<u>29,139</u>
 Total Expenditures of Federal Awards			<u>\$ 1,163,017</u>	<u>\$ 23,051,578</u>
 RECONCILIATION TO FINANCIAL STATEMENTS				
Governmental Funds - Federal Revenue			\$ 23,051,578	
Federal Interagency Contracts			-	
Total			<u>\$ 23,051,578</u>	

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2025**

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the State of New Mexico Department of Game and Fish (the Department) under programs of the federal government awards for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position or changes in net position of the Department.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement. The Department has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 NONCASH ASSISTANCE

The Department did not receive any federal noncash assistance during the year ended June 30, 2025.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers

15.605/15.611/15.626

Name of Federal Program or Cluster

Fish and Wildlife Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

2025 – 001 Accounts Payable

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During our search for unrecorded liabilities, we noted that the Department did not record expenditures nor the related liability for services rendered in the fiscal year 2025, amounting to approximately \$112,492. An entry was proposed and posted to record the expenditures and the related liability.

Criteria or specific requirement: According to NMSA 1978 §6.-5-2, the Financial Control Division (the division) shall issue a manual of model accounting practices containing the procedures and policies. State agencies shall comply with the model accounting practices established by the division, and the administrative head of each state agency shall ensure that the model accounting practices are followed. According to FIN 16 General Accounting Practices in the Manual of Model Accounting Practices, all reporting of financial information must be timely, complete, and accurate, to the State agency's management and to oversight agencies and entities.

Effect: Understatement of expenditure and liability.

Cause: The Department did not identify during its review of subsequent disbursements.

Recommendation: We recommend the Department review and update its process related to subsequent disbursements to ensure accruals are properly recorded to the financial records and adjustments made, as needed.

Views of responsible officials and planned corrective actions: The Department recognizes this audit finding and its responsibility to comply with FIN 16 General Accounting Practices in the Manual of Model Accounting Practices in which all reporting of financial information must be timely, complete, and accurate. According to the FY25 Year End Closing from DFA's Financial Control Division, fiscal year 2025 vouchers submitted between July 1st, and July 29th must be back dated to June 30, 2025. The questioned expenditures and the related liability were associated with multi-year appropriations and the vouchers were not back dated which led to mistakenly recording the expense in FY26 and not establishing the related liability. The Department has posted correcting entries to record the expenditure and the related liability in FY25. Additionally, the Department has corrected the FY26 entries. The Department currently performs a review of every disbursement, and the questioned expense was reviewed by both an internal DGF auditor and external auditor from DFA. The Department will continue to work diligently with appropriate staff to reduce errors and train new staff as vacancies are filled. As recommended by the auditor, the Department will conduct a secondary review of all subsequent disbursements to ensure accruals are properly recorded to the financial records and adjustments are made as needed.

Responsible Employee Position: CFO

Timeline: July 30, 2026

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs

2025 – 002 Allowable Activities and Costs – Payroll Disbursements

Federal Agency: U.S. Department of the Interior

Federal Program Name: Sport Fish Restoration Program

Wildlife Restoration and Basic Hunter Education and Safety

Assistance Listing Number: 15.605 and 15.611

Federal Award Identification Number and Year: F24AF01436 – 2024

F24AF00318 – 2024

F25AF00375 – 2025

F24AF01221 – 2024

F24AF01281 – 2024

F24AF01282 – 2024

F24AF01363 – 2024

F24AF01384 – 2024

Award Period: July 1, 2024 through June 30, 2025

January 1, 2024 through June 30, 2025

January 1, 2025 through December 31, 2025

July 1, 2024 through June 30, 2025

July 1, 2024 through June 30, 2025

July 1, 2024 through June 30, 2025

July 1, 2024 through June 30, 2025

July 1, 2024 through June 30, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to 2 CFR §200.303, the recipient must establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

According to 2 CFR §200.405(d), if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. However, when those proportions cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 002 Allowable Activities and Costs – Payroll Disbursements (Continued)

According to 2 CFR §200.431(b), the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- (1) They are provided under established written leave policies;
- (2) The costs are equitably allocated to all related activities, including Federal awards; and,
- (3) The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the recipient or subrecipient or a specified grouping of employees.

Condition: During our testing, we noted that the Department did not allocate leave to grants in accordance with the time and effort employees spent on the grants.

Questioned costs: \$887

Context: During our testing of twenty payroll disbursements, we noted that the Department had a net undercharge of \$887 to eight grants.

Cause: The Department was unaware of the federal regulations pertaining to leave allocations.

Effect: The auditor noted instances of noncompliance. Noncompliance results in possible under or over charges to the grant.

Repeat Finding: No.

Recommendation: We recommend that the Department develop and implement a written policy for leave allocation consistent with federal regulations. Also, we recommend that the Department provides training to ensure employees understand and comply with the written policy.

Views of responsible officials and planned corrective actions: The Department recognizes the audit finding and its responsibility to comply with 2 CFR §200.405(d). Corrective action was taken. The Department revised the procedures and will no longer charge any type of leave activity to a grant, effective July 1, 2025, and for the foreseeable future. An email was sent out by the CFO on June 26, 2025 advising all Department employees about this change. The Federal Aid Cost Tracking System (FACTS) has also been changed to block access to all grants for any leave time reporting code entries. If a system is developed in the future to enable the allocation of leave consistent with the federal regulations, training will be provided for all employees.

Responsible Employee Position: CFO

Timeline: July 31, 2026

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 003 Allowable Activities and Costs – Cash Disbursements

Federal Agency: U.S. Department of the Interior

Federal Program Name: Wildlife Restoration and Basic Hunter Education and Safety

Assistance Listing Number: 15.611

Federal Award Identification Number and Year: F25AF00715 – 2025

Award Period: January 15, 2025 through December 31, 2029

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to 2 CFR §200.303, the recipient must establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

According to 2 CFR §200.403(f), except where otherwise authorized by statute, costs must meet not be included as a cost or used to meet cost sharing requirements of any other federally-financed program in either the current or a prior period.

Condition: During our testing of drawdowns related to matching, we noted that the Department did not adjust its reimbursement request to account for a duplicate travel reimbursement.

Questioned costs: \$169

Context: The Department processed a travel reimbursement twice, resulting in a duplicate payment of \$225 to the employee. The employee reimbursed the Department for this duplicate payment. However, the Department did not adjust its reimbursement request to reflect the credit in the financial records.

Cause: The Department was unaware that the query used for the reimbursement request excluded the credit.

Effect: The auditor noted an instance of noncompliance. Noncompliance results in possible under or over charges to the grant.

Repeat Finding: No.

**NEW MEXICO DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 003 Allowable Activities and Costs – Cash Disbursements (Continued)

Recommendation: We recommend that the Department identify the reason for the exclusion of the credit in its query. Additionally, the Department should consider reviewing the query to the general ledger as part of the final review before submitting the reimbursement request.

Views of responsible officials and planned corrective actions: The Department recognizes the audit finding and its responsibility to comply with 2 CFR §200.403(f). Corrective action will be taken. The Department revised the policies and procedures for cash disbursements within the Administrative Services Division. Effective immediately, upon running the monthly query of federal expenditures for the cash reimbursement for federal grants, the Federal Financial Analyst will submit the query to the Budget Director and the Accountant/Auditor. A reconciliation to the General Ledger will be completed by them prior to the Federal Financial Analyst requesting the cash reimbursement.

Responsible Employee Position: CFO

Timeline: July 31, 2026

**NEW MEXICO DEPARTMENT OF GAME AND FISH
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2025**

An exit conference was held with the Department on January 28, 2026. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH**

Fernando Clemente Jr., New Mexico State Game Commissioner
Mike Sloane, Director
Paul Varela, Chief of the Administrative Services Division
Joe Miano, Budget Director
Stephanie Tapia, Accountant/Auditor
Kayla Whittaker, Federal Aid Coordinator

CLIFTONLARSONALLEN LLP

Laura Beltran-Schmitz, CPA, CGFM, CFE, CICA, Principal
Jane Tinker, CPA, Director

PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared by CliftonLarsonAllen LLP (CLA) with assistance provided by the Department's personnel. The Department is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The Department has reviewed and approved the financial statements and notes to the financial statements.

CLA would like to acknowledge the courtesy and assistance extended to us during the course of the audit.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.