

THE PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION
OF NEW MEXICO



# 1992-93 ANNUAL REPORT



# THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO



# 1992-93 Annual Report



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# ADMINISTRATIVE



# - Mighlights

Participating employers 597
Active members
Pensioners and beneficiaries 11,514
Benefits paid:
Retirement benefits \$122,036,334
Contribution refunds
Contributions:
Employer contributions \$117,536,280
Member contributions \$70,616,459
Assets \$3,041,082,847

## THE PUBLIC EMPLOYEES RETIREMENT BOARD

as Constituted on June 30, 1993

### **Ex-Officio Members**



Stephanie Gonzales Secretary of State



David W. King State Treasurer

### Judicial Liaison

Joseph Baca Justice of the Supreme Court

### **Elected Members**



Ben J. Montoya, Chair State Treasurer's Office State Member



Doug Crandall, Vice Chair City of Albuquerque Municipal Member



Julie C. Garcia City of Albuquerque Municipal Member



Emma C. Gonzales County of Bernalillo County Member



Anita Hisenberg
Department of Finance
and Administration
State Member



Fred Lopez City of Santa Fe Municipal Member



Jerry Rael State Personnel Office State Member



Jerry Richardson Taxation and Revenue Department State Member



Larry Ward Albuquerque, New Mexico Retiree Member

### Officials of the Public Employees Retirement Board

Leo Griego, Executive Secretary
David W. Brooks, Assistant Executive Secretary
R. Lowell Gilbert, Assistant Executive Secretary
Alice E. Herter, Chief Counsel
Lorraine Ward, Acting Investment Director
Annette Maka, Comptroller

Monica Ontiveros, Special Assistant Attorney General



# LETTER FROM THE — EXECUTIVE SECRETARY



The Board and staff are pleased to present the Annual Report of the Public Employees Retirement Association of New Mexico (PERA) for the fiscal year ended June 30, 1993. Although we are proud of the achievements accomplished this year, we intend to continue improving service to our members and benefit recipients.

### REVENUES

The revenues needed to finance retirement benefits are accumulated through the collection of employer and employee contributions and income on investments. Contributions and investment income for the fiscal year totaled \$437 million for the Public Employees Retirement Fund; \$3.6 million for the Judicial Retirement Fund; \$1.5 million for the Magistrate Retirement Fund; and \$980 thousand for the Volunteer Fire Fighters Retirement Fund.

### **EXPENSES**

The primary expenses of a retirement system are the disbursement of retirement and survivor benefits. Recurring benefit payments, refunds of contributions to terminated employees and the cost of administering the association comprise the total expenses of the association. Expenses for the reporting period which ends June 30, 1993, totaled \$143,215,579, an increase of 9 percent over 1993 expenses. Administrative expenses for 1993 were \$6,263,791. Revenues of \$442,595,023 exceeded expenses of \$143,215,579 by \$299,379,444 during 1993.

### INVESTMENTS

The investment portfolio is a major revenue source to PERA. Income from investments amounted to \$251 million which represented 57 percent of total revenues. The pension trust funds total assets were calculated at \$3,041,082,847 which translates to an annual rate increase of 23.51 percent. The actual increase in investments at market value is 17.3 percent. Proper funding and healthy investment returns are very important to the financial soundness of PERA. The ratio of investment earnings

to total revenue is evidence of the association's continued solid financial management.

### **REVIEW OF ACTIVITIES**

As Executive Secretary, my commitment is to ensure that PERA provides responsive and quality service to all retirees and members, while improving the actuarial soundness of the fund.

To accomplish these objectives, PERA is working on several new administrative initiatives. For instance, implementing a new automated document imaging system, adding two new benefit counselor positions, improving communication with active members and retirees, increasing diversification of PERA funds by investing internationally, and enhancing staff productivity by streamlining internal procedures.

New Mexico's retirement system, which is one of the best in the country, administers 23 different pension plans covering state, municipal, county and judicial employees and includes separate plans covering police, fire fighters and state legislators. PERA now has over 11,500 retirees and approximately 44,000 active members.

### ACKNOWLEDGMENTS

The compilation of this Report reflects the combined efforts of the PERA staff under the direction of the Retirement Board. It is intended to provide reliable information as a basis for making management decisions, determining compliance with legal provisions, and determining responsible stewardship of PERA's assets.

The Report is being provided to all affiliated public employers which form the link between the various Retirement Plans and their membership. Employer cooperation contributes significantly to the success of the systems. Hopefully, PERA employers and their employees will find this report both informative and helpful.

Respectfully submitted,

Leo Driego

Leo Griego

**Executive Secretary** 



# LETTER FROM THE — CHAIRMAN



I am pleased to present this Annual Report to PERA's members, retirees and the public at large. As you may know, PERA has experienced substantial growth during the past few years. This Report contains our most recent history. It is helpful, in addition, to examine this information over time. For example, the value of PERA's assets tripled during the past eight years, increasing from less than one billion dollars in June of 1985 to almost three billion dollars as of June 30, 1993. During the same period, the percentage funded has increased from 70% in 1985 to 84% as of June 30, 1993, even though PERA's pension benefit obligations have continued to increase. Likewise, the financing period, another fund progress indicator, reached a peak of sixty-three years in 1989 and subsequently decreased to 40 years as of June 30, 1993.

Many factors have contributed to PERA's improved performance. First, we've had good support from the legislature in assuring that any benefit enhancements or changes in retirement plans are properly funded and actuarially sound; This practice guarantees that the financial progress made by PERA will not be eroded. Secondly, we have a competent and committed staff at PERA. Our Executive Secretary, Leo Griego.

works tirelessly with the staff to improve operations and to insure that PERA is responsive to questions and concerns of our members. The Board also works extremely hard to provide the necessary leadership and direction for the PERA staff. As Board members learn about concerns of PERA members, these matters are brought to and addressed by the entire Board. In this way, the suggestions and ideas of our members greatly contribute to the improvements of the Association. Finally, the refinements that we continue to make to our investment program add substantially to the increased financial health of PERA. Our investment performance for this past year was 13.4%. Our performance over the last three years averaged 11.9%. This three-year performance placed PERA in the top quartile of all public pension funds nationwide.

On behalf of the Board, I would like to thank all PERA members and retirees for their interest in and support of PERA. As our retirement system continues to grow, we need the active participation of our members more than ever. By working together, we can make sure that our retirement system is and continues to be one of the most outstanding retirement systems in the nation. I look forward to working together for a positive future.

Sincerely,

Ben J. Montoya, Chairman New Mexico Public Employees

Retirement Board

### STAFF -

### Administration

Leo Griego, Executive Secretary
Antonia I. Armijo, Administrator III
David W. Brooks, Assistant Executive Secretary Member Services
R. Lowell Gilbert, Assistant Executive Secretary Operations

Anna M. Martinez, Liaison Officer Claudine Serna, Receptionist

### **Administrative Services**

Annette Maka, Director of Finance and Administration
Sharon D. Barela, Financial Specialist III
Lynn F. Coles, Financial Manager
Arlene F. Coriz, Human Resources
Administrator Senior
Mary Lou L. Martinez, Financial Specialist II
Sharon Moya, Financial Specialist I
Margaret R. Phoenix, Accounting and
Systems Coordinator
Arthur A. Trujillo, Financial Specialist III

### **Benefits and Claims Division**

Priscilla V. Kilkenny, Manager V
Marsha M. Delgado, Accounting Technician II
Vincent J. Jaramillo, Information Specialist II
Dorothy Lynch, Manager IV
Beatrice Randolph, Manager IV
Nora E. Romero, Manager IV
Louis E. Scheier, Clerk Specialist
Kathy A. Webb, Clerk Specialist

### **Building and Grounds**

Victor A. Montoya, Administrator V Hildelisa Chavez, Custodial Worker I Ramona Chavez, Custodial Worker I Johnny P. Dean, Custodial Worker I Stella M. Garduno, Custodial Worker I Gilbert Gurule, Custodial Worker II Sam E. Leyba, Maintenance Worker II Bobby K. Martinez, Maintenance Worker II Jose F. Marquez, Custodial Worker I Eddie L. Montoya, Maintenance Worker II Paul A. Montoya, Physical Plant Manager II Loretta A. Noriega, Custodial Worker I Chris J. Romero, Maintenance Worker I Marlene Romero, Custodial Worker I Ronnie Sanchez, Maintenance Worker I Valentin Ulibarri, Maintenance Worker II Patty L. Urbanic, Custodial Worker I Pedro B. Valencia, Custodial Worker I

### **Contribution Accounting Division**

Herbert Romero, Manager V Joseph W. Maes, Financial Specialist III Liz Montoya, Financial Specialist I Frances A. Porterfield, Administrative Assistant Joyce Rivera, Financial Specialist I

### **Information Systems**

Fermin R. Montoya, Data Processing Manager I Lynn P. Bower, Systems Analyst Manager Michael A. Gonzales, Programmer Analyst II Joedine J. Jaramillo, Computer Operator I Anthony L. Martinez, Programmer Analyst I Kevin W. Payne, Systems Analyst Manager James P. Risinger, Programmer Analyst II

### Investments

Jeffrey W. States, Division Director II Selma A. Arnold, Administrator II Pete E. Roybal, Financial Specialist III Judy F. Toomey, Investment Officer II Lorraine B. Ward, Investment Officer Principle

### Office of Legal Counsel

Alice E. Herter, Chief Counsel Brenda L. Gallegos, Secretary III Celia A. Ludi, Assistant Legal Counsel Judy A. Olson, Administrator III

### Records

Mark Sanchez, Administrator III
Alex F. Coriz, Clerk II
Joyce R. Croker, Clerk Specialist
Paula Griego, Clerk II
Ivette L. Montoya, Clerk II
Valerie Pacheco, Clerk II
Debbie A. Rodriguez, Key Entry Operator II





# INTRODUCTION





### ABOUT PERA-

### A HISTORICAL PERSPECTIVE

The Public Employees Retirement Act was established by the New Mexico Legislature on August 1, 1947. At that time, members were required to contribute 3.5% of their gross salary and their employer matched with an equal amount. The maximum annuity any member could expect to receive was \$150 per month. There were no death-in-line-of-duty survivor benefits available. On August 31, 1950, the number of participating local government employers were:

State Agencies	59
Cities	15
Counties	12
Judicial Districts	9
Conservancy Districts	1

In 1953, the law was repealed and reenacted. Contributions were increased to 5% of gross salary for employees and matching employer contributions. Police and firemen contributions were increased to 7%. The increase provided for an annuity of \$200 maximum per month plus \$50 for members with 30 or more years of service credit.

In 1960, PERA recorded 593 pension recipients with an annual pension payroll of \$717,200

averaging \$1,209 per annuitant. In 1961, the plan was again increased to provide benefits of up to 50% of a member's final average salary.

Today, PERA is the administrator of four cost-sharing multiple-employer public employee retirement systems providing pension benefits for employees of state government and covered governmental units. As of June 30, 1993, these retirement systems recorded 11,514 annuity recipients with an annual pension payroll of \$123,808,657.

# SUMMARY OF PLAN PROVISIONS Membership

PERA membership is a condition of employment with the state of New Mexico and affiliated public employers. Certain exceptions to the above condition of employment exist. The PERA has a fiduciary responsibility of making sound investments to the benefit of retiring generations of state and affiliated employees.

### Contributions by Members and Employers

The contribution requirements by members and affiliated public employees are outlined on the following page:

### Vested Termination of Membership

Members who terminate employment and membership with at least 5 years of credited service and leave their accumulated member contributions on deposit with the Association, will become vested former members. They are entitled to a deferred pension when they become eligible for normal retirement. In addition, certain disability and survivor pension provisions apply.

### Cost-of-Living Adjustments

Pensions are increased 3% each July 1, if retirement has been in effect for at least 2 full-calendar years. If retired because of disability or if at least age 65, the 2-calendar-year waiting period is reduced to 1 full-calendar year.

		of Salary ition Rate	Pension Factor Per Year of	Maximum Pension as	
Coverage Plan	Member Employe		Credited Service	Percent of Final Average Salary	
State General Member					
Coverage Plan 2	6.18%	13.83%	2.5%	75%	
State Police Member					
Coverage Plan 1	7.60%	25.10%	3%	80%	
State Hazardous Duty Member					
Coverage Plan 1	4%	21.50%	2.5%	100%	
Municipal General Member					
Coverage Plan 1	7%	7%	2%	60%	
Coverage Plan 2	9.15%	9.15%	2.5%	75%	
Municipal Police Member					
Coverage Plan 1	7%	10%	2%	60%	
Coverage Plan 2	7%	15%	2.5%	100%	
Coverage Plan 3	7%	18.50%	2.5%	100%	
Coverage Plan 4	12.35%	18.50%	3%	80%	
Coverage Plan 5	16.30%	18.50%	3.5%	80%	
Municipal Fire Member					
Coverage Plan 1	7%	10%	2%	60%	
Coverage Plan 2	7%	16.50%		100%	
Coverage Plan 3	7%	20.25%		100%	
Coverage Plan 4	11.80%	20.25%		80%	
Coverage Plan 5	15.20%	20.25%		80%	

Interest is credited to member contribution accounts each June 30, at the rate set by the retirement board.



# THE JUDICIAL RETIREMENT SYSTEM Normal Retirement Pension Amount

The amount of normal retirement pension is based on:

- Final salary, which is the judicial member's salary received during the last one (1) year in office prior to retirement.
- · Years and months of service; and
- The coverage plan.

Pre 7-1-80 Plan: 37.5% of final salary plus 7.5% of final salary for each year of service in excess of 5 years. Maximum is 75% of final salary with 10 or more years of service.

Post 7-1-80 Plan: 37.5% of final salary plus 3.75% of final salary for each year of service in excess of 5 years. Maximum is 75% of final salary with 15 or more years of service.

### THE MAGISTRATE RETIREMENT SYSTEM

### Normal Retirement Pension Amount

The amount of normal retirement pension is based on:

- Final salary, which is the judge's salary received during the last one (1) year in office prior to retirement; and
- Years and months of service.

The annual benefit is 37.5% of final salary plus 3.75% of final salary for each year of service in excess of 5 years. Maximum is 75% of final salary with 15 or more years of service.

# THE VOLUNTEER FIRE FIGHTERS RETIREMENT SYSTEM

### Normal Retirement Pension Amount

The amount of normal retirement pension is \$200 for a volunteer non-salaried fire fighter with 25 or more years of service, payable monthly during the remainder of his/her life; or \$100 for a volunteer non-salaried fire fighter with 10 or more years of service, payable monthly during the remainder of his/her life.

### SERVICES

### RETIREMENT LEGISLATION

After several years of advocating substantial legislative changes, PERA had a relatively light legislative package in 1993. Four bills were introduced at the request of PERA, all of which were passed and signed into law. One of these bills revised the PERA disability retirement statutes providing additional clarity on when members were eligible for disability retirement benefits. A second bill revised the retirement reciprocity statutes to permit retirement reciprocity between the Public Employees Retirement system, the judicial retirement system, the magistrate retirement system and the educational retirement system. Formerly, retirement reciprocity existed between PERA and ERA, but did not include the judicial and magistrate retirement systems.

In addition, PERA Board supported legislation which was introduced and passed giving municipal employees the right to vote for an increase in retirement benefits to a 3% benefit factor. Under that legislation, additional contributions equal to 4% of a member's salary were required in order to assure that the proposed benefit was actuarially sound. Legislation was also introduced permitting twenty-year retirement. Under this proposal, employees would be permitted to retire after twenty years of service regardless of

age. Currently, employees must accrue twentyfive years of service credit before they can retire, regardless of age. The twenty-year legislation passed the Legislature but was not signed into law.

PERA's policy over recent years has been that it will only sponsor and support pension benefit changes that are financially and actuarially sound. The Legislature has continued to support PERA in this approach. This legislative support has been critical in assuring that the financial progress that PERA has made is not eroded and that our retirement system remains healthy and able to meet its future benefit obligations.

### COMMUNICATIONS

Annual Statement of Account: Annual statements of account for individual members are mailed directly to each member in September. The statement provides a summary of the transactions and balances.

Individual Counseling: PERA representatives are available to counsel members at locations throughout the state.

Newsletters: Approximately 45,000 copies of the PERA newsletter, La Voz, are distributed to members each quarter. The La Voz Retiree Version is sent out to almost 16,000 retirees. La Voz is provided to inform members of important



matters regarding legislative updates, investments and counseling schedules.

### **DEFERRED COMPENSATION**

The enactment of Section 10-7A-1, et seq., NMSA 1978, provides for the establishment of the PERA - Deferred Compensation Plan as described in Section 457 of the Internal Revenue Code.

The PERA Deferred Compensation Plan allows members of the Retirement Systems and other eligible public employees the greatest possible benefits under the new federal income tax laws. As a general rule, an eligible employee may defer the lesser of \$7,500 or 25% of his or her salary.

There are currently 6,445 contributing participants, with a total deferral of \$3,565,414. As of June 1993, total assets were \$70,246,140.



# INVESTMENTS



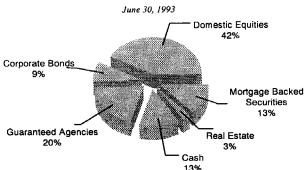


### -INVESTMENTS -

Under the direction of the Public Employees Retirement Board and the Executive Secretary, the Investment Division administers the investment programs for each of the retirement programs. The PERA Retirement Fund, with assets having a market value of almost 3 billion dollars, is the largest of the separate investment trusts. Investments are also administered for three additional separate trust funds; the Volunteer Fire Fighters' Fund, with market value assets of 7.2 million dollars; the Judicial Fund, with market value assets of 23.8 million dollars; and the Magistrate Fund with market value assets of 7.9 million dollars.

The PERA Retirement Asset Allocation as of June 30, 1993, is shown in the graph below. The PERB has adopted a policy for the asset allocation for this fund to gradually shift toward a 55% allocation to equities, including a 10% allocation to international equities.

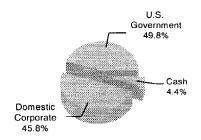
### **PERA Retirement Asset Allocation**



The asset allocation for the other three funds as of June 30, 1993, is as follows:

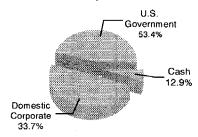
### Judicial Fund - Total Asset Allocations

June 30, 1993



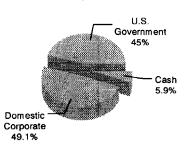
### Magistrate Fund - Total Asset Allocations

June 30, 1993



### Fire Fighters Fund - Total Asset Allocations

June 30, 1993



### Investment Management - Other Trust Funds

The investments in the Volunteer Fire Fighters', Judicial and Magistrate Funds are managed in-house. The Funds are invested in fixed income securities with maturities generally less than ten years in a buy and hold strategy. The Funds performance is measured against the Lehman Intermediate Government Corporate Index.

PERA's total fund returned 2.1% for the second quarter of 1993, versus its policy benchmark return of 1.7%. This outperformance can be attributed to strong performances by both the equity and fixed income sectors. Equity outperformed the market return of .5% with a return of 1.2%, while bonds slightly outperformed the broad bond market with returns of 2.8% and 2.7% respectively. For the one-year period ending June 30, 1993, PERA earned 13.4% outperforming its policy benchmark return of 12.6%. As with the quarter, the fund experienced strong performance by all asset classes.

Relative to universe public funds, the PERA total fund has done well ranking in the top half of funds over most time periods and the 21st percentile over the past quarter.



# FINANCIAL SECTION





### **COMBINING BALANCE SHEET - PENSION TRUST FUNDS**

Year ended June 30, 1993

	Public Employees Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund	Volunteer Firefighters Retirement Fund	Total
ASSETS  Cash and cash equivalents	\$ 377,156,380	\$ 1,035,084	\$ 1,072,894	\$ 302,506°	\$ 379,566,864
Accrued investment income	22,554,498	293,004	102,785	113,811	23,064,098
Accounts receivable - brokers	140,357,120	-		· <u>-</u>	140,357,120
Contributions receivable	3,760,074	•	-	-	3,760,074
Interfund receivable	10,908	-	71,616	•	82,524
Investments, at cost	2,455,769,306	21,274,907	6,319,096	6,323,121	2,489,686,430
Investment in building, net	2,809,713	-	-	-	2,809,713
Property and equipment, net	1,756,024		-		1,756,024
Total assets	3,004,174,023	22,602,995	7,566,391	6,739,438	3,041,082,847
LIABILITIES					
Accounts payable - brokers	417,073,034	•	_	-	417,073,034
Accounts payable - other	2,750,939	-	-	•	2,750,939
Accrued payroll	69,507	-	-	-	69,507
Accrued compensated absences	107,442	-	-	-	107,442
Interfund payable	-	76,754	5,770	-	82,524
Mortgage escrow deposits	78,019	-	•	-	78,019
Funds held for others	2,152,121				2,152,121
Total liabilities	422,231,062	76,754	5,770		422,313,586
NET ASSETS AVAILABLE					
FOR BENEFITS	<u>\$ 2,581,942,961</u>	<u>\$ 22,526,241</u>	<b>\$</b> 7,560,621	<b>\$</b> 6,739,438	\$ 2,618,769,261
FUND BALANCE					
Total actuarial present					
value of credited					
projected benefits	\$ 3,202,244,101	\$ 34,753,715	\$ 9,786,324	\$ 6,433,789	\$ 3,253,217,929
Reserved for encumbrances					
fiscal year 1993	98,640	-	-	-	98,640
State legislator member					
coverage plan assets	2,509,183	•	-	-	2,509,183
Net (unfunded) overfunded					
actuarial present value	(000 000 000)	// 0 000 1			
of credited projected benefits	(622,908,963)	(12,227,474)	(2,225,703)	305,649	(637,056,491)
TOTAL FUND BALANCE	\$ 2,581,942,961	\$ 22,526,241	\$ 7,560,621	\$ 6,739,438	<b>\$</b> 2,618,769,261

The balance sheets are excerpts from PERA's audited financial statements for the fiscal year ended June 30, 1993. A complete copy of the audited financial statements (upon which PERA received an unqualified opinion) is available in the Administrative Services Division.

# COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - PENSION TRUST FUNDS

6	Public Employees Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund	Volunteer Firefighters Retirement Fund	Total
OPERATING REVENUES Employer contributions	\$ 114,480,195	\$ 1,722,151	\$ 833.934	<b>f</b> 500.000	<b>A</b> 447 F00 000
Member contributions	70,224,873	244,052	\$ 833,934 147,534	\$ 500,000	\$ 117,536,280
Interest income	102,667,011	1,629,333	496,784	- 477 670	70,616,459
Net gains from sale of	102,007,011	1,023,000	450,704	477,670	105,270,798
investments	116,259,718	4,360	2,400	2,400	116,268,878
Dividend income	29,800,985	.,000	2,400	2,400	29,800,985
Service credits				•	29,000,900
purchased	1,706,741	6,963	_	-	1,713,704
Rental income	1,289,674	•	-		1,289,674
Other	98,245		<u> </u>		98,245
Total operating revenues	436,527,442	3,606,859	1,480,652	980,070	442,595,023
OPERATING EXPENSES					
Benefit payments	120,159,284	1,692,594	151,887	32,569	122,036,334
Refunds to terminated	, , , , , , , , , , , , , , , , , , , ,	.,,	101,001	02,003	122,000,004
employees	14,911,184	3,145	1,125	-	14,915,454
Administrative expenses	6,229,813	12,303	13,510	8,165	6,263,791
-					<u> </u>
Total operating expenses	141,300,281	1,708,042	166,522	40,734	143,215,579
Net increase in					
fund balance	295,227,161	1,898,817	1,314,130	939,336	299,379,444
FUND BALANCE, JUNE 30, 1992	2,286,715,800	20,627,424	6,246,491	5,800,102	2,319,389,817
FUND BALANCE, JUNE 30, 1993	\$ 2,581,942,961	\$ 22,526,241	\$ 7,560,621	\$ 6,739,438	<u>\$ 2,618,769,261</u>



### **COMBINING STATEMENT OF CASH FLOWS - PENSION TRUST FUNDS**

	Public Employees Judicial Retirement Retirement Fund Fund		Magistrate Retirement Fund		Volunteer Firefighters Retirement Fund		Total		
Cash flows from									
operating activities:									
Net increase in fund balance \$	295,227,161	\$	1,898,817	\$	1,314,130	\$	939,336	\$	299,379,444
Adjustment to reconcile net									
increase in fund balance									
to net cash provided by									
operating activities									
Depreciation	421,459		782		707		•		422,948
Depreciation allocation	1,489		(782)		(707)		-		
Net gains from sale of									
investments	(116,259,718)		(4,360)		(2,400)		(2,400)		(116,268,878)
Net accretion on investments	(6,781,864)		-		-		-		(6,781,864)
(Increase) decrease in accrued									
investment income	(738,031)		45,757		3,050		(1,276)		(690,500)
Increase in accounts									
receivable - broker	(67,671,069)		•		-		-		(67,671,069)
Decrease in contributions									
receivable	6,036,428		82,586		1,420		-		6,120,434
(Increase) decrease in									
interfund receivable	38,899		-		(71,616)		-		(32,717)
Decrease in other assets	112,429		-		-		-		112,429
Increase in accounts									
payable - brokers	278,365,090		-		•		-		278,365,090
Increase in accounts									
payable - other	1,545,177		-		•		-		1,545,177
Increase in accrued									
payroll	12,539		•		•		•		12,539
Decrease in accrued									
compensated absences	(3,127)		-		-		•		(3,127)
Increase in interfund									
payable	-		27,723		4,994		-		32,717
Decrease in mortgage									
escrow deposits	(248,171)		-		-		-		(248,171)
Decrease in funds held									
for others	(195,803)		-	_			*		(195,803)
Net cash provided by									
operating activities	389,862,888		2,050,523	_	1,249,578		935,660	_	394,098,649

### COMBINING STATEMENT OF CASH FLOWS - PENSION TRUST FUNDS - CONTINUED

	Public Employees Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund	Volunteer Firefighters Retirement Fund	Total
Cash flows from					
investing activities:	E 04E 740 C44	E 050 000	1,600,014	1,600,014	5,923,999,561
Sales of investments	5,915,740,644	5,058,889 (8,093,613)	(2,296,158)	(2,895,976)	(6,181,041,360)
Purchases of investments	(6,167,755,613)	(0,033,013)	(2,230,130)	(2,030,310)	(0,101,041,000)
Principal repayments on U.S. Government Agencies	47,367,074	1,359,548	340,881	571,150	49,638,653
U.S. GOVERNMENT Agencies	<u>+10,100,17</u>	1,000,040	040,001	<u> </u>	
Net cash used by					
investing activities	(204,647,895)	(1,675,176)	(355,263)	(724,812)	(207,403,146)
Cash flows from					
financing activities:					
Purchase of fixed assets	(79,504)			-	(79,504)
		•			
Net increase in cash	405 405 400	075 047	894,315	210,848	186,615,999
and cash equivalents	185,135,489	375,347	094,313	210,040	100,010,000
Cash and cash equivalents,					
June 30, 1992	192,020,891	659,737	178,579	91,658	192,950,865
00, 100L					
Cash and cash equivalents,					
June 30, 1993	\$ 377,156,380	\$ 1,035,084	<b>\$</b> 1,072,894	\$ 302,506	<b>\$</b> 379,566,864



## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - PUBLIC EMPLOYEES RETIREMENT FUND

Year ended June 30, 1993

	Member Contribution Fund	Employer Accumulation Fund	Retirement Reserve Fund	Income Fund	Total
OPERATING REVENUES					
Employer contributions	\$ -	\$ 114,480,195	\$ -	\$ -	\$ 114,480,195
Member contributions	70,224,873	-	-	-	70,224,873
Interest income	•	-	•	102,667,011	102,667,011
Net gains from sale of				440.000.740	440.050.545
investments Dividend income	•	-	•	116,259,718	116,259,718
Service credits	•	-	-	29,800,985	29,800,985
purchased	1,204,580	502,161	_	_	1,706,741
Rental income	1,201,000	502,101	•	1,289,674	1,289,674
Other				98,245	98,245
			**		· · · · · · · · · · · · · · · · · · ·
Total operating revenues	71,429,453	114,982,356		250,115,633	436,527,442
OPERATING EXPENSES					,
Administrative expenses					
Contractual services	-	-	-	2,524,406	2,524,406
Personal services	-	•	-	1,600,653	1,600,653
Other operating costs	-	-	-	960,597	960,597
Employee benefits	-	-	=	511,178	511,178
Depreciation expense	•	-	•	421,459	421,459
Maintenance and repairs	•	-	-	156,829	156,829
Supplies	-	-	*	24,102	24,102
Travel Other	•	•	-	30,472	30,472
Other	<del></del>	<del></del>		117	117
Total administrative					
expenses	-	-	•	6,229,813	6,229,813
Benefit payments	-		120,159,284	-	120,159,284
Refunds to terminated			,		• •
employees	14,911,184	<u> </u>			14,911,184
Total operating expenses	14,911,184		120,159,284	6,229,813	141,300,281
Net operating income (loss)	56,518,269	114,982,356	(120, 159, 284)	243,885,820	295,227,161
OPERATING TRANSFERS IN (OUT	1				
Income fund distributed	26,528,325	-	217,357,495	(243,885,820)	•
Transfers	(17,577,237)	(31,713,926)	49,291,163	-	_
Legislative adjustment	(16,880)	1,857,677	(1,840,797)		
Total operating transfers	8,934,208	(29,856,249)	264,807,861	(243,885,820)	
FUND BALANCE, JUNE 30, 1992	501,704,543	395,495,669	1,389,515,588	•	2,286,715,800
FUND BALANCE, JUNE 30, 1993	<b>\$</b> 567,157,020	\$ 480,621,776	<u>\$ 1,534,164,165</u>	<u>\$</u>	\$ 2,581,942,961

The balance sheets are excerpts from PERA's audited financial statements for the fiscal year ended June 30, 1993. A complete copy of the audited financial statements (upon which PERA received an unqualified opinion) is available in the Administrative Services Division.

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - JUDICIAL RETIREMENT FUND

	Member Contribution Fund	Employer Accumulation Fund	Retirement Reserve Fund	Income Fund	Total
OPERATING REVENUES					
Employer contributions	\$ -	\$ 1,722,151	\$ -	\$ -	<b>\$</b> 1,722,151
Member contributions	244,052	-	•	•	244,052
Interest income	-	•	•	1,629,333	1,629,333
Net gains from sale of					
investments	-	•	-	4,360	4,360
Dividend income	=	-	•	-	-
Service credits					<b>A 222</b>
purchased	6,963	-	-	•	6,963
Rental income	•	-	-	•	•
Other		<del></del>			
Total operating revenues	251,015	1,722,151		1,633,693	3,606,859
OPERATING EXPENSES					
Administrative expenses					
Contractual services	_	_		7,351	7,351
Personal services	-			2,296	2,296
Other operating costs				1,037	1,037
Depreciation expense				782	782
Employees benefits		_	•	676	676
Maintenance and repairs	-			71	71
Travel	-			48	48
Supplies	-	-	-	42	42
Other		-	·		-
Total administrative					
expenses		-	-	12,303	12,303
·					
Benefit payments		•	1,692,594	•	1,692,594
Refunds to terminated					
employees	3,145	<u> </u>	<u> </u>		3,145
Total operating expenses	3,145		1,692,594	12,303	1,708,042
Net operating income (loss)	247,870	1,722,151	(1,692,594)	1,621,390	1,898,817
OPERATING TRANSFERS IN (OUT)					
Income fund distributed	92,229	_	1,529,161	(1,621,390)	_
Transfers	(65,358)	194,077	(128,719)	(.,52.,600)	-
	100,000)		1,20,7 10)		<del></del>
Total operating transfers	26,871	194,077	1,400,442	(1,621,390)	-
FUND BALANCE, JUNE 30, 1992	1,677,922	•	18,949,502	-	20,627,424
FUND BALANCE, JUNE 30, 1993	\$ 1,952,663	<b>\$ 1,916,228</b>	\$ 18,657,350	<u>\$</u>	\$ 22,526,241



### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - MAGISTRATE RETIREMENT FUND

Year ended June 30, 1993

Department   Section   S		Member Contribution Fund	Employer Accumulation Fund	Retirement Reserve Fund	Income Fund	Total
Member contributions   147,534	OPERATING REVENUES					
Interest income	Employer contributions		\$ 833,934	\$ -	\$ -	\$ 833,934
Net gains from sale of investments	Member contributions	147,534	-	-	-	147,534
Investments	Interest income	-	-	-	496,784	496,784
Dividend income   Service credits   Purchased   Perital Income   Perital	Net gains from sale of					
Service credits	investments	-	-	-	2,400	2,400
Purchased	Dividend income	-	-		•	-
Rental Income	Service credits					
Other         - <td>purchased</td> <td>•</td> <td>-</td> <td>•</td> <td>•</td> <td>-</td>	purchased	•	-	•	•	-
Total operating revenues         147,534         833,934         -         499,184         1,480,652           OPERATING EXPENSES           Administrative expenses         -         9,033         9,033           Contractual services         -         9,033         9,033           Personal services         -         9,033         9,033           Personal services         -         9,038         938         938           Other operating costs         -         -         707         707         707         707         707         707         707         707         707         707         707         644         641         641         641         641         641         641         641         641         442         444         444         Supplies         -         -         37 <t< td=""><td>Rental income</td><td>•</td><td>•</td><td></td><td>-</td><td>-</td></t<>	Rental income	•	•		-	-
OPERATING EXPENSES         Administrative expenses       9,033       9,036       9,082       9,083       9,38       9,68       9,38       9,38       9,38       9,64       6,44       64       64       64       64       64       64       64       64       64       74       74       74       75       75       75       75       75       75       75       75	Other			-		•
Administrative expenses Contractual services	Total operating revenues	147,534	833,934		499,184	1,480,652
Administrative expenses Contractual services	ODERATING EVENIORS					
Contractual services   9,033   9,033   Personal services   2,076   2						
Personal services	•					
Other operating costs         -         -         938         938           Depreciation expense         -         -         707         707           Employees benefits         -         -         611         611         611           Maintenance and repairs         -         -         -         64         64           Travel         -         -         -         44         44           Supplies         -         -         -         37         37           Other         -		*	-	=	•	•
Depreciation expense   -		-	-	-	•	•
Employees benefits		-	-	•		
Maintenance and repairs       -       -       64       64         Travel       -       -       44       44         Supplies       -       -       37       37         Other       -       -       -       -       -         Total administrative expenses       -       -       -       13,510       13,510         Benefit payments       -       -       -       151,887       -       151,887         Refunds to terminated employees       1,125       -       -       -       1,125         Total operating expenses       1,125       -       151,887       13,510       166,522         Net operating income (loss)       146,409       833,934       (151,887)       485,674       1,314,130         OPERATING TRANSFERS IN (OUT) income fund distributed       3,848       -       481,826       (485,674)       -         Transfers       -       4,796,917       (4,796,917)       -       -         Total operating transfers       3,848       4,796,917       (4,315,091)       (485,674)       -         FUND BALANCE, JUNE 30, 1992       -       -       6,246,491       -       6,246,491		•	-	-		
Travel         -         -         44         44           Supplies         -         -         37         37           Other         -         -         -         -         -           Total administrative expenses         - <td< td=""><td>• •</td><td>-</td><td>-</td><td>•</td><td></td><td></td></td<>	• •	-	-	•		
Supplies         -<		7	-	-		
Other         - <td></td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td></td>		-	-	-		
Total administrative expenses 13,510 13,510  Benefit payments - 151,887 - 151,887  Refunds to terminated employees 1,125 1,125  Total operating expenses 1,125 - 151,887 13,510 166,522  Net operating income (loss) 146,409 833,934 (151,887) 485,674 1,314,130  OPERATING TRANSFERS IN (OUT) Income fund distributed 3,848 - 481,826 (485,674) - 1,314,130  Total operating transfers 3,848 4,796,917 (4,796,917)		•	-	-	37	37
expenses       -       -       -       13,510       13,510         Benefit payments       -       -       151,887       -       151,887         Refunds to terminated employees       1,125       -       -       -       -       1,125         Total operating expenses       1,125       -       151,887       13,510       166,522         Net operating income (loss)       146,409       833,934       (151,887)       485,674       1,314,130         OPERATING TRANSFERS IN (OUT) Income fund distributed       3,848       -       481,826       (485,674)       -         Transfers       -       4,796,917       (4,796,917)       -       -       -         Total operating transfers       3,848       4,796,917       (4,315,091)       (485,674)       -         FUND BALANCE, JUNE 30, 1992       -       -       6,246,491       -       6,246,491       -       6,246,491	Other				-	
expenses         -         -         -         13,510         13,510           Benefit payments Refunds to terminated employees         -         -         151,887         -         151,887           Total operating expenses         1,125         -         -         -         -         1,125           Net operating income (loss)         146,409         833,934         (151,887)         485,674         1,314,130           OPERATING TRANSFERS IN (OUT) Income fund distributed         3,848         -         481,826         (485,674)         -           Transfers         -         4,796,917         (4,796,917)         -         -           Total operating transfers         3,848         4,796,917         (4,315,091)         (485,674)         -           FUND BALANCE, JUNE 30, 1992         -         -         6,246,491         -         6,246,491         -         6,246,491	Total administrative					
Benefit payments       .		_	_		13 510	13.510
Refunds to terminated employees         1,125         -         -         1,125           Total operating expenses         1,125         -         151,887         13,510         166,522           Net operating income (loss)         146,409         833,934         (151,887)         485,674         1,314,130           OPERATING TRANSFERS IN (OUT) Income fund distributed         3,848         -         481,826         (485,674)         -           Transfers         -         4,796,917         (4,796,917)         -         -           Total operating transfers         3,848         4,796,917         (4,315,091)         (485,674)         -           FUND BALANCE, JUNE 30, 1992         -         -         6,246,491         -         6,246,491	CAPCHICOS			•	10,510	10,510
Refunds to terminated employees         1,125         -         -         1,125           Total operating expenses         1,125         -         151,887         13,510         166,522           Net operating income (loss)         146,409         833,934         (151,887)         485,674         1,314,130           OPERATING TRANSFERS IN (OUT) Income fund distributed         3,848         -         481,826         (485,674)         -           Transfers         -         4,796,917         (4,796,917)         -         -           Total operating transfers         3,848         4,796,917         (4,315,091)         (485,674)         -           FUND BALANCE, JUNE 30, 1992         -         -         6,246,491         -         6,246,491	Renefit navments		_	151 887		151 887
employees         1,125         -         -         1,125           Total operating expenses         1,125         -         151,887         13,510         166,522           Net operating income (loss)         146,409         833,934         (151,887)         485,674         1,314,130           OPERATING TRANSFERS IN (OUT) Income fund distributed         3,848         -         481,826         (485,674)         -           Transfers         -         4,796,917         (4,796,917)         -         -           Total operating transfers         3,848         4,796,917         (4,315,091)         (485,674)         -           FUND BALANCE, JUNE 30, 1992         -         -         6,246,491         -         6,246,491		_	-	151,007	<del>-</del>	101,007
Total operating expenses 1,125 - 151,887 13,510 166,522  Net operating income (loss) 146,409 833,934 (151,887) 485,674 1,314,130  OPERATING TRANSFERS IN (OUT) Income fund distributed 3,848 - 481,826 (485,674) -  Transfers - 4,796,917 (4,796,917) -   Total operating transfers 3,848 4,796,917 (4,315,091) (485,674) -   FUND BALANCE, JUNE 30, 1992 6,246,491 - 6,246,491		1 125				1 105
Net operating income (loss)       146,409       833,934       (151,887)       485,674       1,314,130         OPERATING TRANSFERS IN (OUT) Income fund distributed       3,848       -       481,826       (485,674)       -         Transfers       -       4,796,917       (4,796,917)       -       -         Total operating transfers       3,848       4,796,917       (4,315,091)       (485,674)       -         FUND BALANCE, JUNE 30, 1992       -       -       6,246,491       -       6,246,491	Shiploy000	1,120				1,125
OPERATING TRANSFERS IN (OUT) Income fund distributed       3,848       -       481,826       (485,674)       -         Transfers       -       4,796,917       (4,796,917)       -       -       -         Total operating transfers       3,848       4,796,917       (4,315,091)       (485,674)       -         FUND BALANCE, JUNE 30, 1992       -       -       6,246,491       -       6,246,491	Total operating expenses	1,125		151,887	13,510	166,522
Income fund distributed 3,848 - 481,826 (485,674) - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	Net operating income (loss)	146,409	833,934	(151,887)	<b>48</b> 5,674	1,314,130
Income fund distributed 3,848 - 481,826 (485,674) - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	OPERATING TRANSCERS IN JOHN					
Transfers         -         4,796,917         (4,796,917)         -         -           Total operating transfers         3,848         4,796,917         (4,315,091)         (485,674)         -           FUND BALANCE, JUNE 30, 1992         -         -         6,246,491         -         6,246,491				404 000	/40E 074	
Total operating transfers 3,848 4,796,917 (4,315,091) (485,674) -  FUND BALANCE, JUNE 30, 1992 - 6,246,491 - 6,246,491		3,040	4 700 047		( <del>4</del> 85,674)	•
FUND BALANCE, JUNE 30, 1992 6,246,491 - 6,246,491	Hansiers		4,790,917	<u>(4,796,917)</u>		<u></u>
	Total operating transfers	3,848	4,796,917	(4,315,091)	(485,674)	
FUND BALANCE, JUNE 30, 1993 \$ 150,257 \$ 5,630,851 \$ 1,779,513 \$ - \$ 7,560,621	FUND BALANCE, JUNE 30, 1992	· · · · · · · · · · · · · · · · · · ·	-	6,246,491	<u> </u>	6,246,491
	FUND BALANCE, JUNE 30, 1993	<b>\$</b> 150.257	\$ 5.630.851	\$ 1.779.513	\$ -	\$ 7.560.621

The balance sheets are excerpts from PERA's audited financial statements for the fiscal year ended June 30, 1993. A complete copy of the audited financial statements (upon which PERA received an unqualified opinion) is available in the Administrative Services Division.

# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

June 30, 1993

		lune 30, 1992		Additions		Deletions		lune 30, 1993
SOCIAL SECURITY FUND								
Assets	_		_					
Cash and cash equivalents	\$	292,549	\$	9,528	\$	-	\$	302,077
Accrued investment income		-		753		-		753
Property and equipment, net		26,255		-				26,255
Total assets	\$	318,804	\$	10,281	<u>\$</u>	-	\$	329,085
Liabilities								
Due to State of New Mexico	\$	292,549	\$	10,281	\$		•	000 000
Investment in fixed assets	Ψ	26,255	Φ	10,201	Ф	-	\$	302,830
		20,200						26,255
Total liabilities	\$	318,804	\$	10,281	\$	•	\$	329,085
STATE OF NEW MEXICO PUBLIC EMPLOYEES DEFERRED COMPENSATION FUND								
Assets								
Cash and cash equivalents	\$	332,412	\$	11 406 500	\$	11 250 222	•	470 700
Contributions receivable	Ψ	63,241	Ψ	11,406,529 11,144,447	Þ	11,259,233 11,168,099	\$	479,708 39,589
Investments, at market		63,641,455		17,365,253		4,617,733		76,388,975
Policyholder account value		33,011,100		11,000,200		4,017,700		10,300,913
of universal life insurance								
contracts		282,014		131,872		•		413,886
Total assets	\$	64,319,122	\$	40,048,101	\$	27,045,065	\$	77,322,158
Liabilities								
Accounts payable - other	\$		\$	951	\$	_	\$	951
Accrued payroll	•	-	-	1,017	•	-	Ψ	1,017
Accrued compensated absences		3,633		1,060		3,633		1,060
Funds held for others		64,315,489		40,045,073		27,041,432		77,319,130
Total liabilities	\$	64,319,122	\$	40,048,101	s	27,045,065	s	77,322,158
	-		-		<i>I</i>		Υ	77,022,100



## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS - CONTINUED

June 30, 1993

		lune 30, 1992	 Additions		Deletions	<u>J</u>	une 30, 1993
TOTALS - ALL AGENCY FUNDS							
Assets							
Cash and cash equivalents	\$	624,961	\$ 11,416,057	\$	11,259,233	\$	781,785
Accrued investment income		=	753		-		753
Contributions receivable		63,241	11,144,447		11,168,099		39,589
Investments, at market		63,641,455	17,365,253		4,617,733		76,388,975
Property and equipment, net		26,255	-		•		<b>26,255</b>
Policyholder account value							
of universal life insurance							
contracts		282,014	 131,872			_	413,886
Total assets	\$	64,637,926	\$ 40,058,382	\$	27,045,065	\$	77,651,243
Liabilities							
Accounts payable - other	\$	-	\$ 951	\$	-	\$	951
Accrued payroll	•	-	1,017	·	-	•	1,017
Accrued compensated absences		3,633	1,060		3,633		1,060
Due to State of New Mexico		292,549	10,281		_		302,830
Funds held for others		64,315,489	40,045,073		27,041,432		77,319,130
Investment in fixed assets		26,255	 -		-		26,255
Total liabilities	\$	64,637,926	\$ 40,058,382	\$	27,045,065	\$	77,651,243

# REVENUES BY SOURCE PUBLIC EMPLOYEES RETIREMENT FUND

Fiscal Year Ended June 30	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Member Contributions	\$ 70,224,873		\$ 67,487,775 \$ 62,780,037	\$ 58,148,231	\$ 53,769,793	\$ 50,728,008	\$ 40,738,342 \$ 36,514,084	\$ 36,514,084	\$ 36,582,060	\$ 39,771,271
Employer Contributions	114,480,195	111,127,910	-102,529,079	96,224,188	89,317,498	87,172,940	76,393,672	68,587,191	58,912,491	46,304,991
Irvestment Income	248,727,714	194,575,516	142,688,089	150,974,446	146,073,719	113,641,429	157,306,320	132,692,635	91,173,353	83,279,510
Other Income	3,094,660	2,267,236	2,368,234	2,951,853	2,349,062	1,393,554	710,200	736,757	516,309	622,604
Total	\$436,527,442	\$375,458,437	\$310,365,439	\$308,298,718	291,510,072	\$252,935,931	\$275,148,534	\$238,530,667	\$187,184,213	\$169,978,376

# EXPENSES BY TYPE PUBLIC EMPLOYEES RETIREMENT FUND

Fiscal Year Ended June 30	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Benefit Payments \$ 120,159,284 \$ 107,736,470 \$ 97,661	\$ 120,159,284	\$ 107,736,470	\$ 97,661,350	\$ 88,755,420	\$ 83,020,533	\$ 66,663,753	\$ 53,860,576	\$ 43,052,646	\$35,712,616	\$ 29,635,558
Administrative Expenses	6,229,813	6,020,866	5,277,510	8,218,855	5,987,853	18,799,173	4,701,477	3,925,990	3,078,500	2,285,656
Refunds to Terminated Employees	14,911,184	14,015,395	13,935,785	14,166,265	12,337,706	11,546,800	11,021,771	10,858,681	11,115,243	9,410,182
Total	\$141,300,281	\$127,772,731	116,874,645	\$111,140,540	\$101,246,092	\$97,009,726	\$69,583,824	\$57,837,317	\$49,906,359	\$41,331,396



\*Plan was created in 1985. No activity prior to this date.

# REVENUES BY SOURCE VOLUNTEER FIREFIGHTERS RETIREMENT FUND

500,000       500,000       500,000       500,000       527,930       500,000       500,000       500,000         480,070       454,038       382,557       281,243       250,756       195,924       121,094       84,429         \$980,070       \$954,038       \$882,557       \$781,243       \$778,686       \$695,924       \$621,094       \$584,429										
500,000       500,000       500,000       527,930       500,000       500,000       500,000         480,070       454,038       382,557       281,243       250,756       195,924       121,094       84,429	\$547,697	\$584,429	\$621,094	\$695,924	\$778,686	\$781,243	\$882,557	\$954,038	\$980,070	Total
500,000 500,000 500,000 500,000 500,000 500,000		84,429	121,094	195,924	250,756	281,243	382,557	454,038	480,070	Investment Income
	Qı	500,000	500,000	500,000	527,930	500,000	500,000	500,000	500,000	Employer Contributions
		1	1	I	l	I	l	ļ	I	Member Contributions
1993 1992 1991 1990 1989 1988 1987 1986	1985	1986	1987	1988	1989	1990	1991	1992	1993	Ended June 30

<sup>\*</sup>Plan was created in 1985. No activity prior to this date.

# REVENUES BY SOURCE VOLUNTEER FIREFIGHTERS RETIREMENT FUND

Total	Refunds to Terminated Employees	Administrative Expenses	Benefit Payments	Fiscal Year Ended June 30
\$40,734	I	8,165	\$ 32,569	1993
\$28,464	1	10,064	\$ 18,400	1992
\$9,647	I	1,748	\$7,899	1991
\$3,555	ł	3,555	I	1990
\$1,900	J	1,900	I	1989
\$1,500	i	1,500	I	1988
\$500	I	500	1	1987
1	ļ	l	1	1986
i	ı	f	ı	1985*

The balance sheets are excerpts from PERA's audited financial statements for the fiscal year ended June 30, 1993. A complete copy of the audited financial statements (upon which PERA received an unqualified opinion) is available in the Administrative Services Division.

# REVENUES BY SOURCE JUDICIAL RETIREMENT FUND

Fiscal Year Ended June 30	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Member Contributions	\$ 244,052	\$ 171,829	\$ 168,831	\$ 160,505	\$ 148,115	\$ 148,561	\$ 166,870	\$ 135,381	\$ 123,180	\$ 262,317
Employer Contributions	1,722,151	1,329,265	1,364,026	2,156,855	1,347,115	1,306,171	906,727	893,580	749,014	661,087
Investment Income	1,633,693	1,665,623	1,526,347	1,429,103	1,280,891	1,185,326	1,149,483	1,131,318	1,044,918	947,914
Other Income	6,963	15,398	I	I	1	I	1	ŀ	1	
Total	\$3,606,859	\$3,182,115	\$3,059,204	\$3,746,463	\$2,776,121	\$2,640,058	\$2,223,080	\$2,160,279	\$1,917,112	\$1,817,318

# EXPENSES BY TYPE JUDICIAL RETIREMENT FUND

Fiscal Year Ended June 30	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Benefit Payments	\$ 1,692,594	\$ 1,703,619	\$ 1,527,861	\$ 1,543,485	\$ 1,294,161	\$1,126,404	\$1,019,206	\$ 899,036	\$ 800,812	\$ 747,364
Administrative Expenses	12,303	7,456	9,289	12,048	5,120	13,023	13,264	12,291	13,017	10,001
Refunds to Terminated Employees	3,145	l	1	1	14,888	7,422	1,997	24,216	13,813	1,511
Total	\$1,708,042	\$1,711,075	\$1,537,150	\$1,555,533	\$1,314,169	\$1,146,849	\$1,034,467	\$935,543	\$827,642	\$758,876



### GABRIEL, ROEDER, SMITH & COMPANY **Actuaries & Consultants**

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 810-799-9000

March 2, 1994

The Retirement Board Public Employees Retirement Association Santa Fe, New Mexico

Attention: Leo Griego, Executive Secretary

We certify that the annual actuarial valuation as of June 30, 1993 of the Public Employees Retirement Association of New Mexico was made in accordance with recognized actuarial methods.

The valuation was based on data submitted by PERA concerning financial information and people data, which we examined for reasonableness. The asset values used for the valuation were smoothed market values.

We believe the experience assumptions used in making the valuation provide a reasonable measure of the obligations and periods over which unfunded accrued obligations will be financed under the statutory contribution rates.

Respectfully submitted,

Sandra W. Rodwan Ronald J. W. Smith

SWR:ct

# ACTUARIAL ASSUMPTION

# Summary of Actuarial Assumption for the Four Retirement Systems of New Mexico

The purpose of the actuarial valuation is to ascertain whether or not PERA is meeting its statutory obligations which are:

- pension payments to current and future retired members, vested former members and survivor pension beneficiaries
- refunds of member contributions to nonvested former members
- administrative and investment expenses incurred in the operation of PERA

The sources of PERA funding to meet the statutory obligations are:

- member contributions (fixed statutory rates)
- affiliated public employer contributions (fixed statutory rates)
- investments earnings on PERA assets

The basic funding objective of PERA is to avoid transfers of the cost of statutory obligations between generations of taxpayers. The objective will be realized if PERA sources of funding are sufficient to fund:

 costs allocated to the current year on account of service rendered by PERA members in the current year (normal cost)  costs allocated to prior years on account of service rendered by PERA members in prior years (unfunded actuarial accrued liability)

Board Policy is to finance the unfunded actuarial accrued liability over 40 years.

The actuarial valuation measures:

- The relationship between PERA obligations and funding resources to determine if the funding objective is being met; and
- 2. The contribution rate needed to comply with the 40-year objective for financing the unfunded actuarial accrued liability.

The June 30, 1993 actuarial valuation indicates that PERA has an actuarial balance between resources and obligations in all divisions. The financing periods for all divisions except the State Police-Hazardous Duty division and Municipal General are in excess of the period targeted under the Retirement Board's funding policy. PERA has no margin with which to absorb the obligations associated with any benefit improvement. Future ability to properly monitor PERA's actuarial balance is dependent upon renewed diligence with respect to data quality and a period of benefit stability permitting derivation of underlying benefit utilization patterns.



The PERA funding resource together with current assets are sufficient to fund the accruing obligation if the estimates of future PERA activities are realized and resources are not absorbed by unfunded benefit improvements.

### FISCAL ESTIMATES

Fiscal estimates are commonly selected on the basis of what is expected to occur in an inflation-free environment. Each item is then increased by a provision for long-term inflation. The estimates used for this valuation are:

- 8% nominal rate of investment return
- 5% inflation
- 3% post retirement benefit increases
- 5% wage increases

The nominal rate of investment return is 9.75% for pensions with an effective date prior to July 1, 1985. Within the scope of the estimated wage increases above, attribution is made to inflation and other factors generating across-the-board increases. Provision is also made for merit and seniority increases.

### FINANCING PERIODS

The financing periods for unfunded actuarial accrued liability supported by current statutory contribution rates and the additional contribution resources needed to immediately reduce these periods to 40 years are:

Coverage Group	Funding Period *	Additional Funding for 40 years **
State General	47 years	0.38%
State Police/ Haz. Duty	0 years	0.00%
Municipal General	30 years	0.00%
Municipal Police	46 years	0.26%
Municipal Fire	99+ years	2.93%

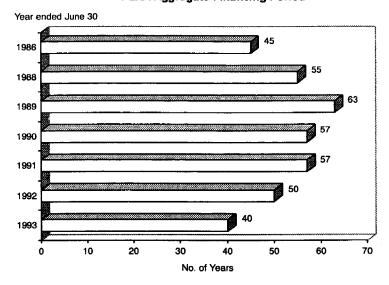
- The number of years needed to finance the unfunded actuarial accrued liability with current statutory contribution rates.
- \*\* The additional contributions (percents of payroll) needed to immediately reduce the funding period to forty years, to meet Board policy.

# PERA FINANCING - PERIODS

The number of years needed to eliminate the unfunded actuarial accrued liability under current statutory revenue provisions.

	6/30/93	6/30/92	6/30/91	6/30/90	6/30/89	6/30/88	6/30/86
PERA Aggregate	40	50	57	57	63	55	45
State General	47	54	59	65	73	62	48
State Hazardous Duty	0	3	12	20	23	31	36
Municipal General	30	39	43	43	47	44	35
Municipal Police	46	75	92	91	65	38	60
Municipal Fire	99+	99+	99+	90	<del></del>		88

### PERA Aggregate Financing Period



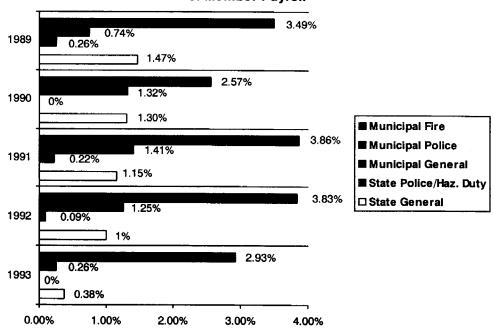


# PERA FUNDING POLICY

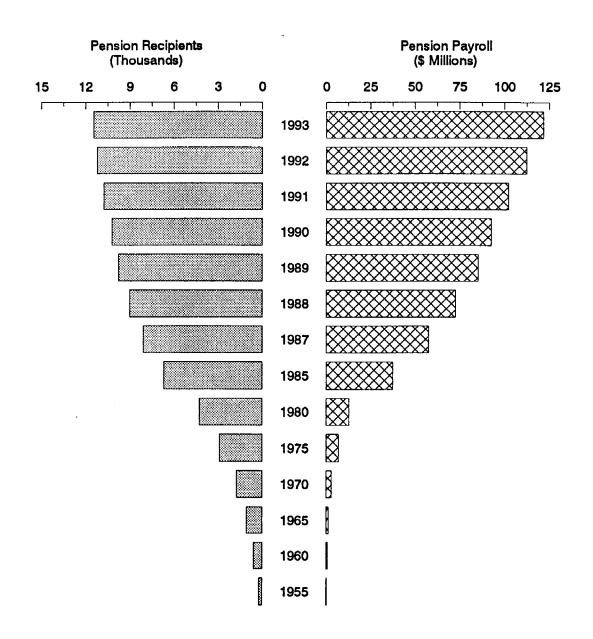
Additional contributions needed to immediately comply with Board funding policy of 40 years.

Division	6/30/93	6/30/92	6/30/91	6/30/90	6/30/89
State General	.38%	1.00%	1.15%	1.30%	1.47%
State Hazardous Duty	0.0%	.00%	.00%	.00%	.00%
Municipal General	0.0%	.09%	.22%	.19%	.26%
Municipal Police	.26%	1.25%	1.41%	1.32%	.74%
Municipal Fire	2.93%	3.83%	3.86%	2.57%	3.49%

## Additional Contributions as Percent of Member Payroll



# Pension Recipients and Pension Payroll Historic Development





### CONCLUSIONS-

### CONCLUSIONS FROM ACTUARIAL REPORT

The June 30, 1993 actuarial valuation indicates:

- PERA has an actuarial balance between resources and obligations
- PERA experienced significant funding progress during the year ended June 30, 1993.
- portion of this year's funding progress include an acceleration of retirements, a decrease in the active member group, an increase in the number of survivor pension beneficiaries and salary increases in excess of the assumed rate.

- The financing periods for all divisions
   except the State Police Hazardous
   Duty division and Municipal General are in
   excess of the period targeted under the
   Retirement Board's funding policy.
- PERA has no margin with which to absorb the obligation associated with any benefit improvement.
- Future ability to properly monitor PERA's
  actuarial balance is dependent upon
  renewed diligence with respect to data
  quality and a period of benefit stability
  permitting derivation of underlying benefit
  utilization patterns.

# JUDICIAL AND MAGISTRATE -RETIREMENT FUNDS

### COMPUTED CONTRIBUTION REQUIREMENT VS. STATUTORY CONTRIBUTIONS FOR FY 93/94

The following schedule indicates the contribution required during the 1993/94 fiscal year to finance the normal cost and amortize the unfunded actuarial accrued liability over the forty-

year period adopted by the Retirement Board. The statutory contribution resources are also shown.

Contributions for	Present Judges Payroll Percents	Dollars Based on \$5,034,233 Valn. Payroll
Total Required Contributions	42.43%	\$2,136,024
Total Statutory Contributions	39.64%	\$1,995,407

Contributions for	Magistrate Judges Payroll Percents	Dollars Based on \$3,202,500 Valn. Payroll
Total Required Contributions	33.11%	\$1,060,349
Total Statutory Contributions	31.76%	\$1,016,956