

**Joint Unemployment Compensation Program -
Private and Public**

FINANCIAL STATEMENTS

December 31, 2021 and 2020

INDEPENDENT AUDITORS' REPORT

To the Management and Members
of the Joint Unemployment Compensation Program –
Private and Public

Opinion

We have audited the accompanying financial statements of the Joint Unemployment Compensation Program - Private and Public, (JUCP) a New Mexico alternative unemployment compensation system, which comprise the statements of net assets available for future claims as of December 31, 2021 and 2020, and the related statements of changes in net assets available for future claims and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JUCP as of December 31, 2021 and 2020, and the result of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 JUCP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JUCP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 including examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 JUCP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JUCP's ability to continue as a going concern for a reasonable period-of-time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in the supplemental schedule is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the information is fairly stated in all material respects in relation to the financial statements as a whole.

August 3, 2022


Pulakos CPAs, PC

**Joint Unemployment Compensation Program -
Private and Public**

STATEMENTS OF NET ASSETS AVAILABLE FOR FUTURE CLAIMS

December 31, 2021 and 2020

<u>Assets</u>	Private		Public	
	2021	2020	2021	2020
Cash and cash equivalents	\$ 495,519	\$ 717,122	\$ 378,114	\$ 631,909
Investments	3,742,339	3,567,978	988,370	914,280
Assessments receivable	133,418	110,330	60,682	68,855
New Mexico Department of Workforce Solutions claim receivable, net	53,735	205,204	34,235	74,098
Prepaid expenses and other assets	2,372	4,431	4,291	1,515
Due (to) from program	(222,340)	37,713	222,340	(37,713)
Total assets	4,205,043	4,642,778	1,688,032	1,652,944
<u>Liabilities and Net Assets</u>				
Amounts payable to New Mexico Department of Workforce Solutions	140,977	-	19,882	-
Accrued expenses	25,152	23,902	3,114	3,114
Estimated claims payable, net	676,593	88,500	182,604	39,750
Total liabilities	842,722	112,402	205,600	42,864
Net assets available for future claims	\$ 3,362,321	\$ 4,530,376	\$ 1,482,432	\$ 1,610,080

**Joint Unemployment Compensation Program -
Private and Public**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR FUTURE CLAIMS

Years Ended December 31, 2021 and 2020

	<u>Private</u>		<u>Public</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Additions to net assets				
Assessment income	\$ 1,279,277	\$ 1,421,319	\$ 610,744	\$ 555,685
New Mexico Department of Workforce Solutions reimbursement of claim cost	2,181,496	7,040,735	641,462	2,140,280
Net (depreciation) appreciation in market value of investments	(113,980)	217,116	(11,727)	(186)
Investment income	377,969	183,631	9,740	22,123
Total additions	3,724,762	8,862,801	1,250,219	2,717,902
Deductions from net assets				
Surplus reimbursements to members	1,121,000	934,300	303,000	169,200
Management fees	287,755	287,935	104,801	104,621
Professional fees	23,398	22,049	8,522	8,009
Insurance	2,702	2,281	984	761
Investment fees	13,719	12,152	4,996	4,585
Total administrative expenses	1,448,574	1,258,717	422,303	287,176
Claims expense	3,444,243	7,003,233	955,564	2,091,886
Total deductions	4,892,817	8,261,950	1,377,867	2,379,062
(Decrease) increase in net assets available for future claims	(1,168,055)	600,851	(127,648)	338,840
Net assets available for future claims, beginning of year	4,530,376	3,929,525	1,610,080	1,271,240
Net assets available for future claims, end of year	<u>\$ 3,362,321</u>	<u>\$ 4,530,376</u>	<u>\$ 1,482,432</u>	<u>\$ 1,610,080</u>

**Joint Unemployment Compensation Program -
Private and Public**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	<u>Private</u>		<u>Public</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Operating activities				
(Decrease) increase in net assets available for future claims	\$ (1,168,055)	\$ 600,851	\$ (127,648)	\$ 338,840
Adjustments to reconcile (decrease) increase in net assets available for future claims to net cash used by operating activities				
Realized and unrealized (gains) losses on investments	(113,980)	(333,508)	(11,727)	186
Changes in assets and liabilities				
Assessment receivable	(23,088)	7,809	8,173	(28,193)
New Mexico Department of Workforce Solutions claim receivable, net	151,469	(110,184)	39,863	(66,954)
Prepaid expenses and other assets	2,059	3,160	(2,776)	(1,515)
Due from (to) other program	260,053	482,342	(260,053)	(482,342)
Amounts payable to New Mexico Department of Workforce Solutions	140,977	(480,035)	19,882	(56,458)
Accrued expenses	1,250	1,660	-	-
Estimated claims payable	588,093	(227,000)	142,854	(98,250)
Net cash used by operating activities	(161,222)	(54,905)	(191,432)	(394,686)
Investing activities				
Purchase of available for sale investments	(1,782,060)	(1,256,573)	(1,663,504)	(914,280)
Proceeds from the sale/maturity of investments	1,721,679	1,292,315	1,601,141	898,547
Net cash (used) provided by investing activities	(60,381)	35,742	(62,363)	(15,733)
Change in cash	(221,603)	(19,163)	(253,795)	(410,419)
Cash, beginning of year	717,122	736,285	631,909	1,042,328
Cash, end of year	<u>\$ 495,519</u>	<u>\$ 717,122</u>	<u>\$ 378,114</u>	<u>\$ 631,909</u>

Joint Unemployment Compensation Program – Private and Public

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES

Nature of Operations

The Joint Unemployment Compensation Program - Private and Public (JUCP) is an alternative unemployment compensation system created pursuant to the New Mexico Unemployment Compensation Laws. JUCP was established by the New Mexico Hospital Association (the Association) and participating hospitals. JUCP – Private consists of not-for-profit hospitals as defined in the New Mexico Unemployment Compensation Law. JUCP – Public consists of hospitals that are local public entities in New Mexico. Under the terms of the participation agreements, the Association acts as the group agent for all participating hospitals and Hospital Services Corporation (HSC), the Association's for-profit subsidiary, performs various administrative functions for JUCP. HSC charges JUCP for services rendered. Fees charged were \$399,715 in 2021 and 2020. JUCP is considered an agency fund for the Association and its activity is offset within the Association. Services HSC provides include:

- Maintaining a system of orderly preparation and transmittal of employee termination records
- Receiving notices of and acting on all claims for unemployment compensation benefits for the participating hospitals
- Appearing at hearings involving claimant and employer
- Maintaining a current analysis of the status of each hospital's potential liability
- Advising and counseling on personnel practices, policies, and risk management practices
- Preparing quarterly fund balance reconciliations on behalf of the JUCP and its members

The assets, liabilities, and net assets available for future claims of JUCP – Private and JUCP – Public are those of the participating hospitals.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

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

A significant estimate in the accompanying financial statements is the liability for estimated claims payable. Management estimates the claims for unemployment compensation based upon reported claims and the report of a consulting actuary. Included in the assumptions of the consulting actuary are claim frequency and payment patterns. Based on its analysis and the report of the consulting actuary, management makes its estimate of claims payable at the reporting date. Actual claims paid could differ materially from this estimate.

Joint Unemployment Compensation Program – Private and Public

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Instruments

The carrying amounts of cash, receivables, prepaid and other assets, payables, accrued expenses, and due to payables approximate fair value due to the short maturity periods of these instruments.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, JUCP considers all funds held by financial institutions in non-interest-bearing accounts, which are not restricted from use in operations to be cash equivalents. Amounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). Cash held at financial institutions at times exceed federally insured limits.

Investments

Equity securities (mutual funds investing in common stocks and bonds) and U.S. government issues are valued at quoted current market value. Realized gains and losses on sale of investments are recognized in net income (loss) on the specific identification basis based on average or amortized cost. Current year changes in market value of investments are reflected as net appreciation (depreciation) in market value of investments.

Investments with investment brokerage firms, while subject to certain conditions where there can be defined insurance coverage for certain situations are nevertheless, subject to declines in principal value principally due to movements in the stock and bond markets. Securities held at the brokerage house in safekeeping are insured for existence by the Securities Investor Protection Corporation (SIPC) up to \$500,000. SIPC insurance does not insure against losses in account value due to changes in the market value of the securities.

Fair Value Measurements

The fair value framework prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical investments that JUCP has the ability to access at the measurement date.

Joint Unemployment Compensation Program – Private and Public

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, inputs other than observable quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assessments Receivable

Assessments receivable consist of fourth quarter and special assessments due from the participating hospitals. Collateral is not required on receivables. Accounts determined by management to be uncollectible are written off in the period in which the determination is made. No allowance for doubtful accounts has been recognized for assessments receivable in 2021 or 2020. Assessments receivable (Private) were \$133,418 and \$110,330 as of December 31, 2021 and 2020, respectively. Assessments receivable (Public) were \$60,682 and \$68,855 at December 31, 2021 and 2020, respectively.

Receivable amounts due JUCP from the State of New Mexico Department of Workforce Solutions (DWS) represent the excess of required prepayments less the actual claims charged. Accounts determined by management to be uncollectible are written off in the period in which the determination is made. No allowance for doubtful accounts has been recognized for DWS receivables in 2021 or 2020.

Assessment Income

Assessments to the participating hospitals are primarily based on an experience rating formula. The necessary funding is determined with the assistance of consulting actuaries. Assessments are earned on a pro-rata basis over the period to which the assessment relates. JUCP may require that participating hospitals pay special assessments based upon terms and at times determined by the Association's Board of Directors. If an individual hospital or JUCP experience a net asset deficit, retroactive assessments can be levied against participating hospitals.

Joint Unemployment Compensation Program – Private and Public

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assessment Income – Continued

During the year ended December 31, 2021, three private participating hospitals accounted for 78% assessment income and 73% of claims expense. During the year ended December 31, 2020, three private participating hospital accounted for 81% assessment income and 62% of claims expense.

During the year ended December 31, 2021, one public participating hospital accounted for 62% assessment income and 63% of claims expense. During the year ended December 31, 2020, one public participating hospital accounted for 63% assessment income and 64% of claims expense.

JUCP annually reviews the net asset balances for members, monitoring for overfunded accounts. If a member's balance is determined to be overfunded based on a required maximum balance, a member could request a refund of the excess or could choose to use the excess to reduce future assessments. JUCP issued refunds to members totaling \$1,424,000 and \$1,103,500 and assessment credits of zero in 2021 and 2020, respectively.

Income Taxes

JUCP is an alternative unemployment compensation system created pursuant to the New Mexico Unemployment Compensation Laws. Instead of paying income taxes, the members are taxed individually on their ratable share of the JUCP taxable income. Therefore, no provision or liability for federal or state income taxes has been made.

JUCP has adopted accounting principles generally accepted in the United States of America, as they relate to uncertain tax positions and has evaluated the tax positions taken for all open tax years. The JUCP is not currently under audit, nor has JUCP been contacted by any jurisdictions.

Based on the evaluation of JUCP's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2021.

Subsequent Events

JUCP has evaluated all events occurring subsequent to December 31, 2021 and through August 3, 2022, which is the date that the financial statements were issued. Management believes that all events occurring during this period requiring either recognition or disclosure are included in the accompanying financial statements.

**Joint Unemployment Compensation Program –
Private and Public**

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 3 – INVESTMENTS

Investments consisted of the following as of December 31, 2021 and 2020:

December 31, 2021				
Description	Cost	Unrealized		Market Value
		Gains	Losses	
Investments – Private				
Equity funds	\$ 1,272,948	\$ 196,180	\$ -	\$ 1,469,128
Bond funds	2,222,293	50,918	-	2,273,211
Total investments - Private	3,495,241	247,098	-	3,742,339
Investments – Public				
Bond funds	995,914	-	(7,544)	988,370
Total investments - Public	995,914	-	(7,544)	988,370
Total investments	\$ 4,491,155	\$ 247,098	\$ (7,544)	\$ 4,730,709
December 31, 2020				
Description	Cost	Unrealized		Market Value
		Gains	Losses	
Investments – Private				
Equity funds	\$ 867,253	\$ 235,538	\$ -	\$ 1,102,791
Bond funds	2,339,646	133,455	(7,914)	2,465,187
Total investments - Private	3,206,899	368,993	(7,914)	3,567,978
Investments – Public				
Bond funds	900,000	14,280	-	914,280
Total investments - Public	900,000	14,280	-	914,280
Total investments	\$ 4,106,899	\$ 383,273	\$ (7,914)	\$ 4,482,258

**Joint Unemployment Compensation Program –
Private and Public**

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 4 – FAIR VALUE MEASUREMENT

The following table presents the fair value hierarchy for assets measured at fair value on a recurring basis as of December 31, 2021:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments – Private				
Equity funds	\$ 1,469,128	\$ 1,469,128	\$ -	\$ -
Bond funds	<u>2,273,211</u>	<u>2,273,211</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 3,742,339</u>	<u>\$ 3,742,339</u>	<u>\$ -</u>	<u>\$ -</u>
Investments – Public				
Bond funds	<u>\$ 988,370</u>	<u>\$ 988,370</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments	<u>\$ 988,370</u>	<u>\$ 988,370</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents the fair value hierarchy for assets measured at fair value on a recurring basis as of December 31, 2020:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments – Private				
Equity funds	\$ 1,102,791	\$ 1,102,791	\$ -	\$ -
Bond funds	<u>2,465,187</u>	<u>2,465,187</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 3,567,978</u>	<u>\$ 3,567,978</u>	<u>\$ -</u>	<u>\$ -</u>
Investments – Public				
Bond funds	<u>\$ 914,280</u>	<u>\$ 914,280</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments	<u>\$ 914,280</u>	<u>\$ 914,280</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used as of December 31, 2021.

Investments: Valued at quoted prices in active markets for units held at the end of the year.

Joint Unemployment Compensation Program – Private and Public

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 4 – FAIR VALUE MEASUREMENT – CONTINUED

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 – AMOUNTS PAYABLE/RECEIVABLE TO THE STATE OF NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS

JUCP provides unemployment benefits to qualified former employees of participating hospitals pursuant to New Mexico Unemployment Compensation law. Unemployment claims of former employees are filed with the DWS and benefit decisions are rendered by DWS based on information provided by the former employee, JUCP, and the employer (participating hospital). DWS makes benefit payments directly to the former employees. JUCP reimburses the DWS quarterly for benefits actually paid. DWS may require JUCP to prepay estimates prior to reporting actual benefits paid.

NOTE 6 – ESTIMATED CLAIMS PAYABLE

JUCP estimates the total liability for unemployment compensation benefits to be paid for predetermined periods for claims filed by former employees occurring through December 31 of each year. Benefits generally extend for 26 weeks. Benefits may be discontinued prior to the conclusion of the benefit period for events which include reemployment of the former employee. Actuarial methods are used to validate the reported claim liability.

Due to State Government restrictions on employers and the public, in response to the Covid-19 pandemic, there was a general expectation of reductions in workforce by employers during 2020. JUCP received notification from DWS in March of 2020, that employers will not be charged for all qualified claims filed on or after March 16, 2020 and until notified by DWS. The DWS notification outlined that this relief of claim costs was incurred 50% by the US Federal Government and 50% by the State of New Mexico. DWS collected the federal portion on JUCP's behalf. As a result, all charges incurred by the member hospitals of JUCP required no payment for the period beginning on or after March 16, 2020.

These financial statements reflect amounts paid by the US Federal Government and the State of New Mexico as revenue to JUCP (DWS reimbursement of claim cost).

**Joint Unemployment Compensation Program –
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NOTES TO FINANCIAL STATEMENTS

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NOTE 6 – ESTIMATED CLAIMS PAYABLE – CONTINUED

JUCP received notification in April 2021 from DWS that employers will be charged for 25% of claim costs incurred on all qualified claims filed as of April 4, 2021 through September 30, 2021 with the 75% relief being provided by the US Federal Government. The actuarial computations in determining the net estimated claims payable at year end reflect that notification from the State.

The changes in the estimated claims payable for the years ending December 31, 2021 and 2020, are as follows:

	<u>Private</u>		<u>Public</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Estimated claims payable, beginning of year	\$ 88,500	\$ 315,500	\$ 39,750	\$ 138,000
Claims incurred	3,445,021	7,229,600	954,786	2,172,725
DWS reimbursement of claim cost	(2,181,496)	(7,040,735)	(641,462)	(2,140,280)
Claims paid	(87,339)	(189,498)	(27,616)	(49,856)
Actuarial adjustment to estimated claim liability	<u>(588,093)</u>	<u>(226,367)</u>	<u>(142,854)</u>	<u>(80,839)</u>
Estimated claims payable end of year	<u>\$ 676,593</u>	<u>\$ 88,500</u>	<u>\$ 182,604</u>	<u>\$ 39,750</u>

JUCP employs sound reporting and actuarial practices in reporting the estimated claims payable at year-end and in establishing assessment income rates to cover future claims. Given the size of JUCP, it is difficult to determine the probability of catastrophic events and their impact on the participating hospitals and the net assets available for future claims. The most likely outcome is that there will be no catastrophic layoffs during any given year. Closures of a smaller or larger participating hospital could potentially increase claims expense by 50% or generate claims, which exceed the net assets available for future claims.

**Joint Unemployment Compensation Program –
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NOTES TO FINANCIAL STATEMENTS

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NOTE 7 – COMMITMENTS AND CONTINGENCIES

COVID-19 Pandemic

The Secretary for the New Mexico Department of Health has mandated temporary closing of businesses that were deemed non-essential and requested citizens of the State to adopt behavioral changes in response to the COVID-19 outbreak in the State. At a national and international level, government restrictions on travel and the behavioral changes by the public due to COVID-19 outbreaks across the globe are negatively impacting various industries and the related world markets. While the disruption is expected to be temporary, there is considerable uncertainty around the duration and ultimate financial impact of these actions.

SUPPLEMENTAL SCHEDULE

**Joint Unemployment Compensation Program -
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SUPPLEMENTARY SCHEDULE OF NET ASSETS RECONCILIATION

Year Ended December 31, 2021

	Net Assets December 31, 2020	Net Assessment Income	Investment Return	Claims Expense	DWS Reimbursement of Claim Cost	Surplus Reimbursements	Administrative Expenses	Net Assets December 31, 2021
Private								
CHRISTUS St. Vincent Regional Medical Center	\$ 492,694	\$ 73,082	\$ 26,184	\$ (426,808)	\$ 289,446	\$ (112,000)	\$ (37,535)	\$ 305,063
Cibola General Hospital	46,632	16,066	4,331	(71,168)	52,258	(4,000)	(4,277)	39,842
Gerald Champion Regional Medical Center	175,446	59,216	10,171	(147,688)	107,345	(36,000)	(15,159)	153,331
Holy Cross Medical Center	182,899	52,659	11,353	(77,872)	44,353	(36,000)	(6,747)	170,645
Presbyterian Healthcare Services	1,757,665	555,806	107,078	(1,590,432)	1,027,997	(387,000)	(181,649)	1,289,465
Presbyterian Medical Services	1,625,198	318,951	87,453	(501,142)	319,258	(497,000)	(34,006)	1,318,712
Rehoboth McKinley Christian Health Care Services	244,091	83,722	10,826	(419,276)	205,599	(49,000)	(25,224)	50,738
San Juan Regional Medical Center	5,751	119,775	6,593	(209,857)	135,240	-	(22,977)	34,525
Total Private	\$ 4,530,376	\$ 1,279,277	\$ 263,989	\$ (3,444,243)	\$ 2,181,496	\$ (1,121,000)	\$ (327,574)	\$ 3,362,321
Public								
Gila Regional Medical Center	\$ 301,919	\$ 11,672	\$ (267)	\$ (119,264)	\$ 75,998	\$ (33,000)	\$ (8,894)	\$ 228,164
Jal Hospital	3,548	1,997	(4)	-	-	(2,000)	(138)	3,403
Nor-Lea Hospital District	184,727	81,994	(229)	(54,946)	27,173	(43,000)	(8,767)	186,952
Roosevelt General Hospital	61,054	17,168	(78)	(34,846)	26,652	(14,000)	(3,499)	52,451
Sierra Vista Hospital	60,587	91,660	(179)	(57,580)	34,060	-	(4,572)	123,976
UNM Hospital	891,905	380,095	(1,151)	(599,059)	427,156	(189,000)	(82,607)	827,339
UNM Sandoval Regional Medical Center	106,340	26,158	(79)	(89,869)	50,423	(22,000)	(10,826)	60,147
Total Public	\$ 1,610,080	\$ 610,744	\$ (1,987)	\$ (955,564)	\$ 641,462	\$ (303,000)	\$ (119,303)	\$ 1,482,432

See Independent Auditors' Report.

**Joint Unemployment Compensation Program -
Private and Public**

SUPPLEMENTARY SCHEDULE OF NET ASSETS RECONCILIATION

Year Ended December 31, 2020

	Net Assets December 31, 2019	Net Assessment Income	Investment Return	Claims Expense	DWS Reimbursement of Claim Cost	Surplus Reimbursements	Administrative Expenses	Net Assets December 31, 2020
Private								
CHRISTUS St. Vincent Regional Medical Center	\$ 470,348	\$ 72,154	\$ 42,750	\$ (2,084,489)	\$ 2,142,641	\$ (110,300)	\$ (40,410)	\$ 492,694
Cibola General Hospital	54,300	14,304	5,667	(109,550)	86,383	-	(4,472)	46,632
Gerald Champion Regional Medical Center	133,357	45,009	14,588	(192,085)	206,520	(24,200)	(7,743)	175,446
Holy Cross Medical Center	127,128	51,003	15,305	(84,327)	85,415	(5,700)	(5,925)	182,899
Presbyterian Healthcare Services	1,508,562	546,739	160,219	(2,418,309)	2,374,733	(217,500)	(196,779)	1,757,665
Presbyterian Medical Services	1,691,823	354,497	153,081	(768,483)	785,358	(568,500)	(22,578)	1,625,198
Rehoboth McKinley Christian Health Care Services	149,506	81,679	19,432	(207,733)	215,882	(8,100)	(6,575)	244,091
San Juan Regional Medical Center	(205,499)	255,934	(10,295)	(1,138,257)	1,143,803	-	(39,935)	5,751
Total Private	\$ 3,929,525	\$ 1,421,319	\$ 400,747	\$ (7,003,233)	\$ 7,040,735	\$ (934,300)	\$ (324,417)	\$ 4,530,376
Public								
Gila Regional Medical Center	\$ 314,560	\$ 18,601	\$ 3,935	\$ (222,058)	\$ 236,758	\$ (44,100)	\$ (5,777)	\$ 301,919
Jal Hospital	5,290	1,529	69	-	-	(3,200)	(140)	3,548
Nor-Lea Hospital District	137,105	75,199	2,311	(138,089)	128,504	(10,900)	(9,403)	184,727
Roosevelt General Hospital	70,831	15,901	940	(114,147)	106,727	(14,600)	(4,598)	61,054
Sierra Vista Hospital	(14,621)	72,485	620	(164,311)	170,275	-	(3,861)	60,587
UNM Hospital	637,317	348,148	12,359	(1,337,060)	1,379,796	(66,100)	(82,555)	891,905
UNM Sandoval Regional Medical Center	120,758	23,822	1,703	(116,221)	118,220	(30,300)	(11,642)	106,340
Total Public	\$ 1,271,240	\$ 555,685	\$ 21,937	\$ (2,091,886)	\$ 2,140,280	\$ (169,200)	\$ (117,976)	\$ 1,610,080