EVALUATION BRIEF
Legislative Finance Committee Evaluation Unit

DATE: September 14, 2026

PURPOSE OF HEARING:
Update LFC analysis of local government finances

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EXPECTED OUTCOME:
Informational

LFC Local Government Finances Dashboard

Scan for Interactive Report

Update: Trends in County Finances

LFC has published a dashboard visualizing local government finances, reported in annual audits. Analysis of FY25 county audit data suggests fund balances have grown to total $4.3 billion, with several outlier counties experiencing significant growth. In FY25, reported county revenue totaled $3.2 billion, and expenditures totaled $2.9 billion.

In 2025, LFC published a series of briefs, including a report about local government finances and fund balances, and a brief about trends in local government revenues and expenditures. This series was accompanied by an interactive online report that captures local government financial data reported in annual audits between FY18 and FY24. Local governments undergo annual financial audits, which result in annual reports submitted to the Office of the State Auditor (OSA). This brief provides updated information about county finances, including revenues and expenditures, published in FY25 audits, publicly available online.

County Fund Balances

New Mexico recognizes 33 county governments, and LFC staff analyzed trends in fund balances reported in FY25 annual financial audits posted online. The 2025 LFC brief reported total governmental fund balances in counties increased by 140 percent from FY18 to FY24, to roughly $4 billion in FY24.

Between FY24 and FY25, reported county governmental fund balances (assigned and unassigned) increased roughly 9 percent, and totaled at least $4.3 billion. Six counties do not currently have FY25 audit reports published online and thus were excluded from analysis – Colfax, Hidalgo, Mora, Roosevelt, San Miguel, and Socorro.

Key Points

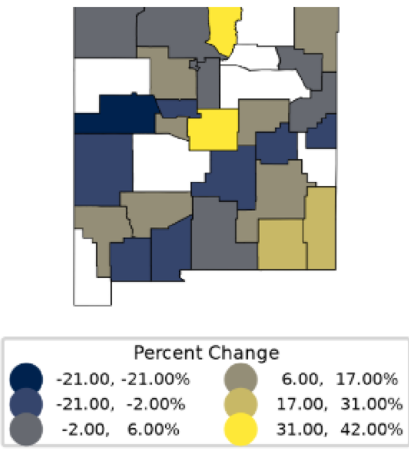
- Between FY24 and FY25, county fund balances increased by 3 percent.
- County audits suggest expenditures are catching-up to the growth rate of revenues, on average

The counties with the largest governmental fund balances were Lea ($822 million), Eddy ($755 million), and Bernalillo ($662 million), and the counties with the smallest reported balances were De Baca ($6.4 million), Harding ($9.1 million), and Guadalupe ($9.7 million). The counties with the largest increases in fund balance were Taos (42 percent), Torrance (42 percent), and Eddy (31 percent), while the counties with the largest decreases were Cibola (-21 percent), Curry (-11 percent), and Luna (-8 percent). In FY25, four counties all reported governmental fund balances of more than $10 thousand per capita (Harding, Eddy, Lea, and Los Alamos).

County Revenues and Expenditures

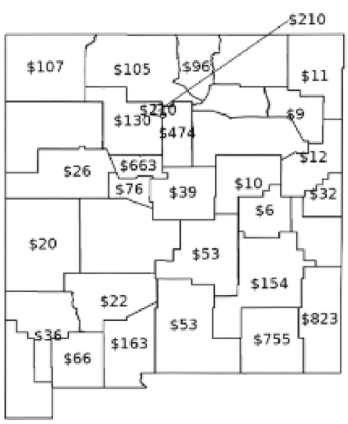
To pay for county services and infrastructure, local governments generate revenue by charging fees for services, taxing individuals activities and property, and through intergovernmental transfers from the state or federal governments. As noted in 2025 LFC briefs, counties generate substantial portions of their revnues from local GRT and property taxes. In addition, appropriations to

Figure 1: FY24-FY25 Change in Governmental Fund Balances



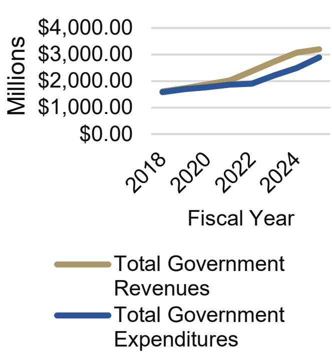
Source: LFC analysis of county audits

Figure 2: FY25 Governmental Fund Balances (in millions)



Source: LFC analysis of county audits

Chart 1. Local Government Revenues and Expenditures (FY18 - FY25)



Source: LFC analysis of county audits

county and municipal governments have increased in recent years, and the 2025 LFC brief noted Legislative appropriations to local governments, including counties and municipalities, totaled more than $168.4 million in FY25.

Between FY18 and FY24 total local government revenues grew faster (91 percent change) than expenditures (58 percent). However, between FY24 and FY25, expenditures grew faster (16 percent) than revenues (4 percent), suggesting expenditure growth is, on average, catching up to revenue growth. In FY25 financial audits, counties reported aggregated revenues of roughly $309 million dollars greater than expenditures.

Largely as a function of disaster relief, Lincoln county reported the largest revenue growth in FY25 (162 percent relative to FY24, from $43 million to $112 million dollars, roughly $64 million in federal and state relief funds). Other counties with large growth include, McKinley (37 percent revenue growth), Chaves county revenue (32 percent revenue growth), and Union county (24 percent growth) Counties that experienced the largest declines in revenue include Sierra county, where revenues declined by 27 percent, and Luna county (14 percent decline). Los Alamos and Cibola counties both reported revenue declines of 12 percent. For example, Los Alamos reports that this decline was primarily driven by a decline in GRT and state-shared revenues. Lincoln county also had the largest growth in expenditures (161 percent) from $38 million to $99 million, roughly $60 million in disaster relief funds. McKinley county expenditures grew by 41 percent, while Lea county expenditures grew by 40 percent. Expenditures in Sierra county declined by 20 percent from $25 million to $20 million.

Broadly, local government revenues are generated by from taxes, charges for services, licenses, permits, and fees, investments, intergovernmental transfers and miscellaneous sources such as donations and gifts. Statewide, change in local government revenues were mainly driven by growth in intergovernmental transfers ($52 million, 9 percent change), charges for services ($2 million, 26 percent), investment ($17 million, 9 percent). Taxes, licenses, permits and fees, and miscellaneous sources each declined by between $17 and 18 million between FY24 and FY25. Intergovernmental transfers increased by nearly 600 percent for Lincoln county from $11 million to $79 million. Local government expenditures include capital outlay, current operaring expenditures, which essential services like public safety, public works, health and welfare, and culture and recreation, and debt service. From FY24 to FY25 capital outlay expenditures reported in county audits increased by $144 million (29 percent), current expenditures increased by $173 million (9 percent) from $1.9 billion to roughly $2 billion and debt service increased by $6 million (5 percent).

The LFC local government finance dashboard provides additional interactive detail and trends reported in annual fiscal audits.

Appendix A. Details of Fund Balances, Revenues, and Expenditures

Table 1. County Level Total Governmental Fund Balances FY18 – FY25 ($, millions)

County	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Percent Change FY24 to FY25
Bernalillo	$378.32	$455.86	$468.96	$519.89	$583.81	$647.23	$678.75	$662.59	-2%
Catron	$8.70	$10.67	$10.79	$10.42	$12.44	$19.84	$21.72	$20.42	-6%
Chaves	$74.39	$79.10	$86.88	$91.22	$105.50	$125.71	$138.84	$154.34	11%
Cibola	$12.16	$14.20	$14.80	$16.58	$20.48	$27.41	$32.29	$25.57	-21%
Colfax	$13.50	$14.02	$15.65	$15.31	$15.80	$12.61			
Curry	$29.64	$24.62	$24.11	$31.61	$41.13	$37.01	$35.69	$31.70	-11%
De Baca	$4.31	$5.05	$5.98	$8.36	$6.96	$6.66	$6.68	$6.41	-4%
Dona Ana	$80.25	$95.38	$109.46	$119.38	$140.70	$150.59	$166.18	$163.47	-2%
Eddy	$97.29	$115.65	$165.86	$182.03	$271.32	$400.35	$576.94	$755.20	31%
Grant	$19.45	$22.79	$20.19	$16.09	$19.83	$24.48	$32.02	$36.20	13%
Guadalupe	$5.02	$4.18	$4.83	$6.50	$7.19	$7.81	$8.30	$9.75	17%
Harding	$5.65	$6.71	$6.94	$7.04	$7.10	$7.55	$8.62	$9.14	6%
Hidalgo	$7.97	$8.64	$9.88	$10.45	$10.66	$12.17			
Lea	$79.64	$102.45	$124.90	$170.76	$318.11	$492.30	$679.86	$822.78	21%
Lincoln	$48.92	$39.65	$25.41	$29.86	$30.55	$50.42	$55.65	$52.94	-5%
Los Alamos	$83.72	$94.00	$102.13	$131.90	$140.50	$172.74	$209.32	$210.32	0%
Luna	$33.31	$35.83	$44.34	$51.21	$52.21	$57.70	$72.04	$65.94	-8%
McKinley	$66.47	$76.52	$87.44	$87.73	$93.64	$115.29	$119.29	$122.01	2%
Mora	$5.27	$4.81	$5.09	$5.01	$14.60	$45.87			
Otero	$33.59	$36.53	$39.19	$39.15	$54.83	$46.71	$51.34	$53.42	4%
Quay	$7.68	$8.86	$11.74	$11.59	$13.21	$11.54	$12.25	$12.23	0%
Rio Arriba	$29.93	$37.28	$40.97	$45.69	$55.82	$83.89	$102.69	$105.37	3%
Roosevelt	$7.88	$8.07	$13.39	$19.26	$21.69	$26.65	$28.03		-100%
San Juan	$69.01	$62.26	$54.51	$55.69	$71.38	$93.70	$104.68	$106.74	2%
San Miguel	$10.13	$10.58	$10.06	$10.44	$10.76				
Sandoval	$57.22	$70.50	$75.73	$80.97	$86.31	$92.50	$116.02	$129.50	12%
Santa Fe	$278.15	$311.42	$300.81	$334.52	$357.52	$395.74	$446.31	$473.98	6%
Sierra	$10.16	$11.44	$13.84	$14.81	$13.41	$14.56	$19.64	$22.04	12%
Socorro	$5.96	$6.65	$7.87	$11.87	$14.78	$16.10	$22.80		-100%
Taos	$35.88	$42.48	$45.37	$42.88	$52.59	$60.99	$67.37	$95.97	42%
Torrance	$8.15	$7.45	$8.26	$14.12	$19.03	$22.52	$27.09	$38.52	42%
Union	$5.19	$5.90	$6.66	$8.16	$7.69	$8.46	$9.81	$10.69	9%
Valencia	$18.88	$24.07	$26.96	$33.68	$41.72	$57.31	$69.34	$75.77	9%

Source: LFC Analysis of county Audits

Table 2. County Level Total Governmental Revenues FY18 – FY25 ($, millions)

County	2018	2019	2020	2021	2022	2023	2024	2025	Percent Change FY24 to FY25
Bernalillo	$422.40	$448.76	$480.30	$532.41	$562.31	$625.78	$697.15	$749.98	8%
Catron	$8.67	$8.72	$7.15	$7.87	$9.12	$11.73	$12.22	$11.76	-4%
Chaves	$38.69	$40.40	$43.50	$42.90	$54.52	$61.61	$59.85	$79.14	32%
Cibola	$14.96	$16.36	$17.35	$21.09	$25.22	$36.64	$35.27	$31.21	-12%
Colfax	$12.17	$13.22	$14.93	$24.45	$16.24	$18.42			
Curry	$22.57	$24.48	$27.14	$31.23	$34.70	$34.72	$37.96	$41.68	10%
De_Baca	$3.24	$3.86	$4.34	$4.02	$5.29	$5.21	$6.27	$6.36	1%
Dona_Ana	$137.91	$143.01	$154.57	$153.42	$186.62	$210.80	$247.87	$241.26	-3%
Eddy	$103.86	$121.93	$129.12	$129.11	$218.00	$258.33	$317.89	$321.73	1%
Grant	$32.48	$31.04	$31.56	$32.65	$40.24	$34.03	$51.99	$50.55	-3%
Guadalupe	$6.70	$6.86	$7.43	$9.57	$9.66	$9.94	$10.04	$10.52	5%
Harding	$3.51	$3.88	$3.24	$3.22	$3.60	$3.84	$5.03	$4.73	-6%
Hidalgo	$7.50	$8.41	$9.62	$8.94	$9.49	$12.68			
Lea	$82.64	$108.02	$118.69	$122.91	$236.51	$315.82	$338.10	$351.30	4%
Lincoln	$28.04	$28.86	$29.80	$33.06	$33.48	$37.99	$43.13	$112.99	162%
Los_Alamos	$69.07	$77.79	$78.12	$106.19	$94.24	$128.22	$152.32	$133.57	-12%
Luna	$23.77	$23.20	$26.66	$30.21	$27.58	$39.43	$47.34	$40.86	-14%
McKinley	$39.58	$49.47	$60.28	$70.37	$59.20	$58.85	$80.10	$109.97	37%
Mora	$5.06	$5.34	$5.49	$6.19	$14.37	$10.95			
Otero	$33.03	$35.70	$38.83	$39.39	$58.84	$49.21	$63.62	$57.19	-10%
Quay	$8.36	$9.80	$13.47	$10.63	$11.46	$13.74	$13.82	$16.11	17%
Rio_Arriba	$31.27	$30.94	$34.38	$38.63	$40.67	$53.15	$58.51	$56.94	-3%
Roosevelt	$12.56	$12.15	$17.52	$17.82	$17.20	$22.40	$24.75		-100%
San_Juan	$98.19	$101.63	$103.62	$107.71	$132.44	$150.74	$147.09	$155.83	6%
San_Miguel	$17.38	$17.42	$18.84	$20.94	$20.85				
Sandoval	$71.85	$75.07	$76.08	$69.58	$79.08	$99.50	$126.29	$115.71	-8%
Santa_Fe	$157.25	$166.37	$172.38	$180.71	$180.40	$215.74	$245.53	$263.63	7%
Sierra	$11.86	$12.06	$14.20	$14.84	$15.75	$20.29	$30.35	$22.29	-27%
Socorro	$12.19	$14.08	$14.13	$15.33	$18.15	$17.66	$24.59		-100%
Taos	$36.15	$38.24	$41.49	$42.51	$44.69	$56.52	$61.86	$65.74	6%
Torrance	$13.20	$12.75	$36.37	$43.86	$47.83	$47.83	$57.69	$59.01	2%
Union	$6.44	$7.12	$6.63	$8.81	$6.34	$8.08	$8.76	$10.85	24%
Valencia	$35.57	$34.72	$39.11	$45.37	$51.39	$58.58	$69.06	$77.70	13%

Source: LFC Analysis of county Audits

Table 3. County Level Total Governmental Expenditures FY18 – FY25 ($, millions)

County	2018	2019	2020	2021	2022	2023	2024	2025	Percent Change FY24 to FY25
Bernalillo	$398.74	$414.56	$467.53	$511.77	$516.90	$611.14	$694.11	$823.62	19%
Catron	$8.42	$7.60	$7.02	$8.15	$6.71	$9.38	$10.42	$13.59	30%
Chaves	$34.77	$35.53	$35.83	$38.28	$40.59	$41.46	$48.20	$63.63	32%
Cibola	$11.62	$12.80	$16.29	$19.31	$24.09	$29.70	$30.40	$38.00	25%
Colfax	$14.23	$13.26	$13.29	$25.09	$15.74	$21.61			
Curry	$22.25	$33.29	$28.81	$23.82	$25.04	$37.67	$31.17	$35.94	15%
De_Baca	$3.30	$3.10	$3.38	$4.62	$6.52	$5.19	$6.25	$7.09	13%
Dona_Ana	$133.00	$126.42	$143.87	$142.84	$163.73	$198.52	$230.05	$252.43	10%
Eddy	$90.30	$105.37	$79.28	$112.43	$111.58	$130.32	$141.81	$143.37	1%
Grant	$33.99	$80.55	$34.85	$36.75	$36.80	$29.36	$47.76	$49.02	3%
Guadalupe	$6.51	$8.84	$6.86	$8.18	$8.91	$9.09	$9.75	$9.60	-2%
Harding	$2.78	$2.99	$3.13	$3.23	$3.65	$4.01	$4.30	$4.72	10%
Hidalgo	$6.53	$7.56	$9.65	$9.80	$8.86	$11.13			
Lea	$82.15	$85.21	$96.24	$77.05	$89.15	$142.15	$150.63	$211.60	40%
Lincoln	$28.65	$39.50	$44.08	$30.71	$31.02	$32.78	$37.97	$99.27	161%
Los_Alamos	$64.39	$69.16	$70.43	$77.20	$82.44	$92.91	$115.91	$132.72	15%
Luna	$26.73	$20.23	$19.18	$22.58	$26.02	$32.78	$32.56	$45.28	39%
McKinley	$37.00	$39.41	$49.36	$70.09	$53.29	$59.62	$76.10	$107.26	41%
Mora	$6.44	$8.22	$4.97	$6.11	$8.28	$9.50			
Otero	$31.55	$33.10	$36.78	$48.01	$43.42	$46.00	$58.32	$53.72	-8%
Quay	$8.21	$8.77	$11.18	$10.78	$10.59	$15.42	$13.81	$16.34	18%
Rio_Arriba	$26.70	$28.12	$37.39	$36.21	$37.23	$40.04	$45.80	$54.29	19%
Roosevelt	$11.56	$11.97	$12.20	$12.00	$15.09	$17.47	$21.23		-100%
San_Juan	$105.53	$109.59	$111.37	$106.52	$116.75	$128.42	$136.13	$153.77	13%
San_Miguel	$19.15	$16.56	$19.76	$20.29	$22.82				
Sandoval	$71.71	$74.95	$77.00	$71.11	$76.52	$98.66	$109.19	$114.38	5%
Santa_Fe	$153.11	$176.54	$182.61	$167.56	$156.00	$180.80	$223.52	$237.87	6%
Sierra	$14.85	$15.11	$13.93	$14.52	$17.32	$19.15	$25.27	$20.22	-20%
Socorro	$11.28	$14.19	$12.90	$12.54	$17.11	$16.98	$20.81		-100%
Taos	$61.59	$38.80	$42.31	$46.26	$39.92	$47.41	$55.15	$59.06	7%
Torrance	$13.33	$13.71	$35.76	$38.00	$42.92	$44.36	$49.16	$57.03	16%
Union	$6.15	$6.42	$6.24	$9.22	$6.49	$7.34	$7.76	$9.98	29%
Valencia	$34.31	$32.09	$34.57	$41.31	$43.20	$48.76	$58.09	$75.87	31%

Source: LFC Analysis of county Audits