



New Mexico State University
All About Discovery!



Financial Statements and Schedules 2013 and 2014



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October 30, 2014

Members of the Board of Regents
New Mexico State University

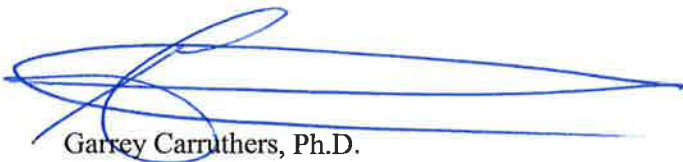
I am pleased to submit the annual financial report of New Mexico State University (the University) for the fiscal year ended June 30, 2014. The accompanying financial statements of the University include a separate column entitled Discrete Component Unit representing the New Mexico State University Foundation, Inc. The New Mexico Office of the State Auditor and independent audit firm of Moss Adams LLP have examined the financial statements. The report of independent auditors on pages 3 through 5 of this report reflects an unmodified opinion.

During the past fiscal year the University strategically managed through the negative budgetary impacts of on-going economic instability and focused resources on our core mission of education, research, extension education, and public service. For the fiscal year ended June 30, 2014, the University's total net position increased by \$20.4 million due primarily to an increase in total assets. A decline in operating revenues of four percent, primarily due to a decrease in federal appropriations, grants and contracts and a slight increase in operating expenses, is offset by increases in state appropriations, investment income and capital grants, gifts and other income.

Our continued investment in providing premier facilities for delivery of our services is evident by the numerous construction sites throughout our campus. This past year, we completed expansion of the Doña Ana Community College campus in Sunland Park, NM, the satellite chilled water plant and the installation of a new irrigation system for the University Golf Course. In addition, we have recently completed, or are scheduled to complete, the Institute for Public Policy (Pete V. Domenici Hall), an Undergraduate Learning Center and renovation of the Corbett Center Student Union.

This is a great time to be an Aggie as evidenced through much positive energy and pride across our campuses, our county offices and around the state. As we move into the new fiscal year, the University's Vision 2020 Strategic Plan will be our primary guide in directing our focus and utilization of resources to realize our ambitious goals. We expect to benefit from the state's projected revenue forecasts through increased general fund appropriations for fiscal year 2016. With the combined talents, dedication and support of our Regents, faculty, staff, sponsors and friends, we will continue to make a positive difference in higher education and demonstrate NMSU is caring community, transforming lives through discovery.

Sincerely,



Garrey Carruthers, Ph.D.
President and Professor of Economics

REPORT OF INDEPENDENT AUDITORS

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit, of New Mexico State University (the "University") as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents. We have also audited the combining statements of net position – primary institution, the combining statements of revenues, expenses and changes in net position – primary institution as of June 30, 2014 and 2013 and the budget comparison schedule for the year ended June 30, 2014, presented as supplemental information, as defined by the Government Accounting Standards Board, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2014 and 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the combining statements of net position – primary institution as of June 30, 2014 and 2013, and the combining statements of revenues, expenses and changes in net position – primary institution for the years then ended, and the budgetary comparisons as of and for the year ended June 30, 2014, present fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and schedule of funding progress and employer contributions on pages 6 through 19 and page 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements and the Budget Comparisons. The accompanying Schedule of Bank Balances, Pledged Collateral Requirements, and Pledged Collateral by Financial Institution, and Schedule of Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU) as required by the New Mexico State Audit Rule and the Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Bank Balances, Pledged Collateral Requirements, Pledged Collateral by Financial Institution, Schedule of Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU), and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Bank Balances, Pledged Collateral Requirements, Pledged Collateral by Financial Institution, Schedule of Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU), and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2014 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
October 30, 2014

Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Unaudited)

Overview of Financial Statements and Financial Analysis

Management's Discussion and Analysis is designed to provide an easily readable analysis of New Mexico State University's (the University's) financial activities for the fiscal years ended June 30, 2014, 2013, and 2012. This overview is based on facts, decisions and conditions known as of the date of the independent auditors' report. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Please read this analysis in conjunction with the University's financial statements and accompanying notes to the financial statements. Separately issued component unit financial statements are available as detailed in Note 11.

Using This Annual Report

The Statement of Net Position provides information about the University's financial condition at fiscal year end. It presents both a current year synopsis and a longer-term view of the University's assets, liabilities and net position. Readers of the Statement of Net Position have the information to determine the assets available to continue the operations of the University. They can also determine how much the University owes to vendors, investors and lending institutions. Finally, the Statement of Net Position outlines the net position (assets minus liabilities) available to the University and defines that availability.

The Statement of Revenues, Expenses, and Changes in Net Position should be used to review the results of the current year's operations. Changes in total net position, as presented in the Statement of Net Position, are based on the activities presented in this statement. The purpose of the statement is to present the revenues earned by the University and the expenses incurred by the University and any other revenues, expenses, gains and losses earned or incurred by the University. Non-operating revenues include state appropriations revenue, gift revenue, and interest earned on operating balances. The line item entitled "Income (loss) before other revenues, expenses, gains or losses" may give a more complete picture of the results of the University's operations during the year, including income resulting from non-exchange transactions. A non-exchange transaction is one in which the University receives value or benefit from a third party without directly providing equal value in exchange, such as in receipt of a donation.

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the fiscal year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by operating activities. The second section includes cash flows from non-capital financing activities. It includes the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section includes cash flows from capital and related financing activities. This section includes the cash used for the acquisition and construction of capital and related items.

The fourth section includes the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth and final section reconciles the net cash used for operations to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Footnote information provides additional detail on the University's overall accounting practices and individual statement line items, including a natural classification report of operating expenses.

Additional information may be obtained by contacting the Office of the Senior Vice President for Administration and Finance at 575-646-2431 or boffice@nmsu.edu.

Financial Highlights

For the years ended June 30, 2014, 2013, and 2012, the University's financial position was as follows (in thousands):

Condensed Statement of Net Position

| | June 30, 2014 | June 30, 2013 | June 30, 2012 |
|---------------------------------------|-------------------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | \$ 93,004 | \$ 104,023 | \$ 80,465 |
| Capital assets | 494,240 | 483,983 | 479,347 |
| Other non-current assets | 249,866 | 228,892 | 243,485 |
| TOTAL ASSETS | 837,110 | 816,898 | 803,297 |
| DEFERRED OUTFLOWS OF RESOURCES | - | 24 | - |
| LIABILITIES | | | |
| Current liabilities | 60,376 | 69,552 | 74,958 |
| Non-current liabilities | 183,261 | 174,515 | 162,765 |
| TOTAL LIABILITIES | 243,637 | 244,067 | 237,723 |
| DEFERRED INFLOWS OF RESOURCES | 250 | - | - |
| NET POSITION | | | |
| Net Investment in capital assets | 335,008 | 325,543 | 319,057 |
| Restricted | 120,344 | 117,846 | 111,229 |
| Unrestricted | 137,871 | 129,466 | 135,288 |
| TOTAL NET POSITION | \$ 593,223 | \$ 572,855 | \$ 565,574 |

Condensed Statement of Revenues, Expenses, and Changes in Net Position

| | | | |
|---|-------------------|-------------------|-------------------|
| OPERATING REVENUES | | | |
| Federal appropriations, grants, and contracts | \$ 157,349 | \$ 168,577 | \$ 177,517 |
| Student tuition and fees (net) | 66,554 | 68,722 | 66,542 |
| Other operating revenues | 101,062 | 100,492 | 95,762 |
| TOTAL OPERATING REVENUES | 324,965 | 337,791 | 339,821 |
| OPERATING EXPENSES | | | |
| Instruction | 147,828 | 142,557 | 137,263 |
| Research | 107,812 | 113,063 | 116,483 |
| Other operating expenses | 292,567 | 292,567 | 293,635 |
| TOTAL OPERATING EXPENSES | 548,207 | 548,187 | 547,381 |
| Net operating loss | (223,242) | (210,396) | (207,560) |
| Non-operating revenues and expenses | 212,082 | 198,746 | 183,160 |
| Income (loss) before other revenue, expenses, gains or losses | (11,160) | (11,650) | (24,400) |
| Other revenues, expenses, gains or losses | 31,528 | 18,931 | 31,309 |
| Increase in net position | 20,368 | 7,281 | 6,909 |
| Net position at beginning of year | 572,855 | 565,574 | 558,665 |
| Net position at end of year | \$ 593,223 | \$ 572,855 | \$ 565,574 |

General Overview for 2014 and 2013

In fiscal year 2014, the total assets of the institution increased by \$20.2 million and liabilities decreased by \$.4 million. Significant changes in the Statement of Net Position include:

- Decrease in cash of \$20.5 million; the components of this change can be seen in the Statement of Cash Flow.
- Increase in investments of \$22.9 million.
- Other Investments held by others, which increased by \$10.5 million, or 10.8%.
- Increase in Capital assets, as several major construction and infrastructure projects were completed within the year.
- Decrease in Unearned Revenues of \$9.5 million or 46.5%.
- Increase in Other long-term liabilities due to issuance of new debt during the year.

The operations discussed below contributed to the increase in net position. Additional information related to these changes is discussed in more detail later in this section.

Primary components which added to the \$20.4 million net increase include:

- An increase in several revenue sources: State appropriations of \$9.4 million, Investment income of \$4.9 million and Capital grants, gifts and other income of \$8.9 million.
- A decrease in the expense categories of Research and Scholarships and Fellowships, primarily as a result of decreased federal funding.

These increases were offset in part by the following:

- A decrease in Federal appropriations, grants and contracts.
- An increase in the expense lines of Instruction and Operation and Maintenance of plant.

Accordingly, the Statement of Cash Flows shows a net decrease in cash. The largest source of cash from operating activities was from Grant and Contract revenues, followed by Tuition and Fees, while the largest source of cash from non-operating activities was from State Appropriations. The most significant uses of cash were for payments to suppliers and to employees and for employee benefits.

General Overview for 2013 and 2012

In fiscal year 2013, the total assets of the institution increased by \$13.6 million and liabilities increased by \$6.3 million. Changes in the Statement of Net Position include:

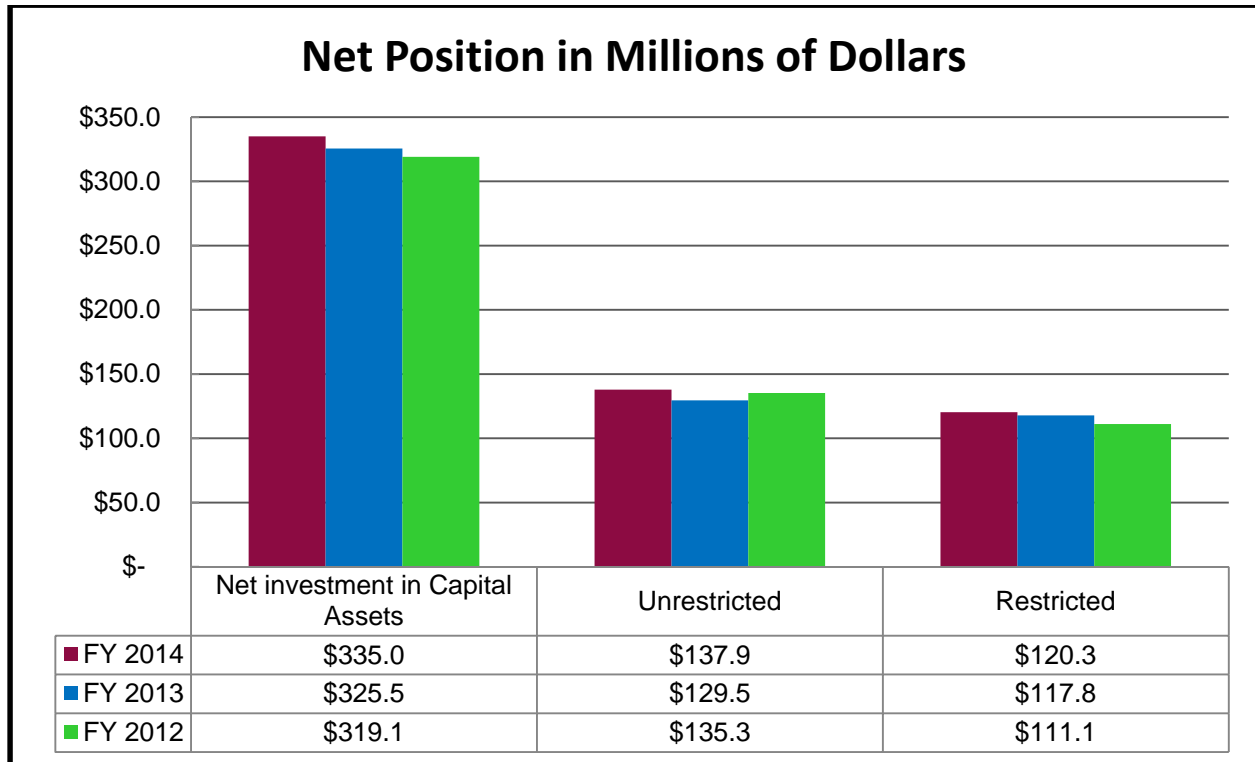
- Conversion of Accounts receivable, which contributed to an increase in cash.
- Increase in Capital assets, as several major construction and infrastructure projects were completed within the year.
- Decrease in Accounts payable, as several large construction billings, outstanding at June 30, 2012, were paid early in fiscal year 2013.
- Increase in Other long-term liabilities due to issuance of new debt during the year.

The operations discussed below contributed to the \$7.3 million increase in net position. Primary components of this change in net position include:

- Increase in State appropriations of \$10.7 million.
- Decrease in Capital appropriations and Other net non-operating revenue.
- Decrease in Federal appropriations, grants and contracts due primarily to decrease in federal funding from Federal Pell, NM Works, USDA ARS Rangeland Management and the SNAP Ed program funding, offset by an increase in Non-governmental grants and contracts.
- Increase in Gifts related to contributions from donors.

Accordingly, the Statement of Cash Flows shows a net increase in cash. The largest source of cash from operating activities was from Grant and Contract revenues, followed by Tuition and Fees, while the largest source of cash from non-operating activities was from State Appropriations. The most significant uses of cash were for payments to suppliers and to employees and for employee benefits.

The following graph illustrates the comparison of net position (in millions) by category for fiscal years 2014, 2013, and 2012.



Operating Revenues for 2014 and 2013

Student tuition and fees (net), one of the larger operating revenue sources, decreased in fiscal year 2014, along with Federal appropriations, grants and contracts, Sales and services, and Other operating revenues. The decrease in these sources was offset by an increase in State grants and contracts, Local appropriations, grants and contracts, and Non-governmental grants and contracts.

The net operating loss for fiscal year 2014 was \$223.2 million and was greater than the fiscal year 2013 operating loss of \$210.4 million by \$12.8 million. Operating revenues decreased by \$12.8 million. The most significant changes in Operating revenues were as follows:

- Decrease in Student tuition and fees, net of Scholarship allowances, of \$2.2 million (3.2%), due to a decline in enrollment and increased scholarship allowances, offset in part by increased tuition and fees rates.
- Decrease in Federal appropriations, grants and contracts of \$11.2 million (6.7%). The primary contributors to this decrease are the following sources: Department of Education (\$4.0 million) related to the Federal Pell program, NASA (\$4.0 million), Health and Human Services (\$1.2 million), National Science Foundation (\$1.9 million), and the Department of Energy (\$2.2 million).

million). These funding decreases were offset, in part, by increased overall funding from the Department of Defense in the amount \$1.4 million.

- Increase of \$1.2M in Local Appropriations, Grants and Contracts due primarily to increased local tax levy collections at Carlsbad Community College.

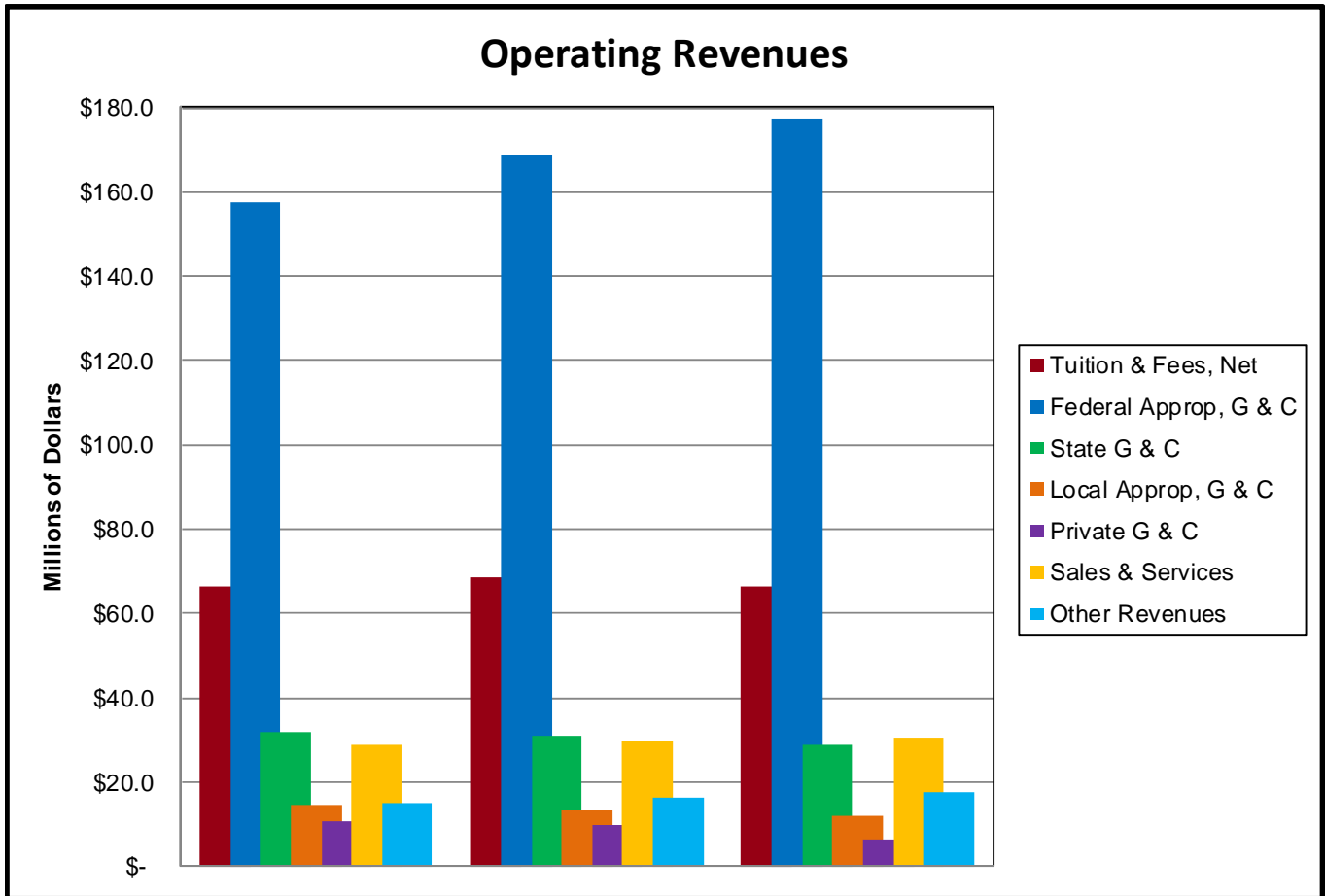
Operating Revenues for 2013 and 2012

Student tuition and fees (net) increased in fiscal year 2013, along with State grants and contracts, Local appropriations, grants and contracts and Non-governmental grants and contracts. The increase in these sources was offset by a decrease in Federal appropriations, grants and contracts, Sales and services, and Other operating revenues.

The net operating loss for fiscal year 2013 of \$210.4 million was greater than the net operating loss in fiscal year 2012 by \$2.8 million. Operating revenues decreased by \$2.0 million. The most significant changes in Operating revenues were as follows:

- Increase in Student tuition and fees, net of Scholarship allowances, of \$2.2 million (3.3%), due to increased tuition and fees rates.
- Decrease in Federal appropriations, grants and contracts of \$8.9 million (5.0%). This decrease is due to a decrease of Federal Pell funding of \$3.2 million, a decrease in specific Physical Science Laboratory Department of Defense work of \$2.9 million, USDA ARS funding of \$.5 million, SNAP Ed program funding of \$.4 million, and the completion of the NM Works project which resulted in a \$.7 million decline in federal revenue.
- Increase of \$2.0 million (7.2%) in State grants and contracts, related primarily to State funded scholarship program funding like the Legislative Lottery and NM Public Education Department MC2 funding.
- Increase of \$3.5 million (54.1%) in Non-governmental grants and contracts, related to the creation of the GO Teacher program of \$1.2 million, along with various other increases in private grants.
- Decrease of \$1.4 million (7.9%) in Other operating revenues, related primarily to lower recovery of indirect costs.

The following graph illustrates a comparison of operating revenues (in millions) by type for fiscal years 2014, 2013 and 2012.



Operating Expenses for 2014 and 2013

The largest dollar changes in operating expense were as follows:

- Increase in Instruction expense of \$5.3 million was due primarily to increased expenditures on the Las Cruces campus, with the largest increases in the colleges of Business and Health and Social Services, and the Center for English Language Programs. Overall, salary and related fringe expenditures were up by about \$3.1 million. The GO Teacher non-credit certificate program significantly added to the increase.
- Operation and maintenance of plant expenditures increased by about 11.4%, or \$4.1 million. The majority of the increase was related to the renewal and replacement of buildings and equipment that were not capitalized.

The above mentioned increases were offset by decreases in the following expense line items:

- Decrease in Research expense of \$5.3 million (4.6%), related to declines in NASA funding at the Physical Science Laboratory of \$4.0 million; reductions in Department of Energy and National Science Foundation funding in the Engineering Research Center of \$2.3 million; reductions in funding from Health and Human Services grants and contracts managed by the Arts and Science Research Center of \$1.3 million as well as a reduction in spending for central research administration of \$1.0 million due to reduced overhead funding. The decreases were offset in part by increased expenditures by the Agricultural Experiment Stations which were funded from increased federal and state appropriations of approximately \$1.2 million and additional expenditures of \$1.4 million on awards from the Department of Defense.
- Decrease in Scholarships and fellowships expense of \$5.3 million (12.0%). This decrease is due to declines in Federal Pell awards, as a result of declines in enrollment and federal funding cuts.

Operating Expenses for 2013 and 2012

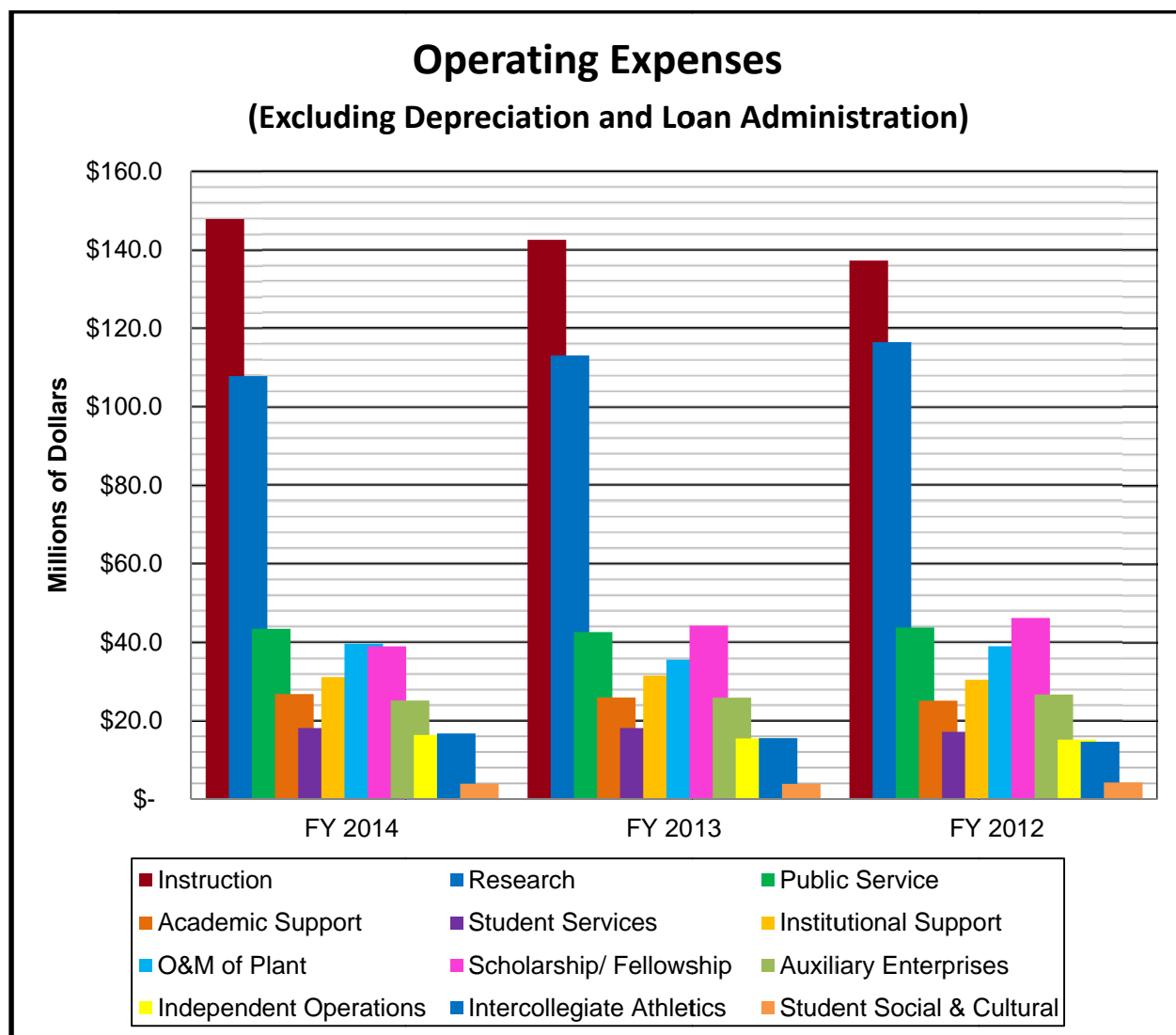
The largest dollar changes in operating expense were as follows:

- Decrease in Research expense of \$3.4 million (2.9%), related to declines in DoD funding at the Physical Science Laboratory of \$2.0 million, various funding sources for the Bio Security and Food Safety Center totaling \$2.1 million and USDA ARS.
- Decrease in Scholarships and fellowships expense of \$3.4 million (8.8%). This decrease is due to declines in Federal Pell and other federal awarded funds, as a result of declines in enrollment and federal funding cuts.
- Decrease in Public Service expense of \$1.2 million (2.7%), related to reduced funding on the SNAP Ed program of \$.5 million and the completion of NM Works, which resulted in reduced expenses of \$.6 million.
- Decrease in Operation and Maintenance of plant expense of \$3.4 million (8.8%). This decrease is primarily related to the change in non-capitalized expenditures made for building and equipment renewal and replacement.

The above mentioned decreases were offset by an increase in the following expense line item:

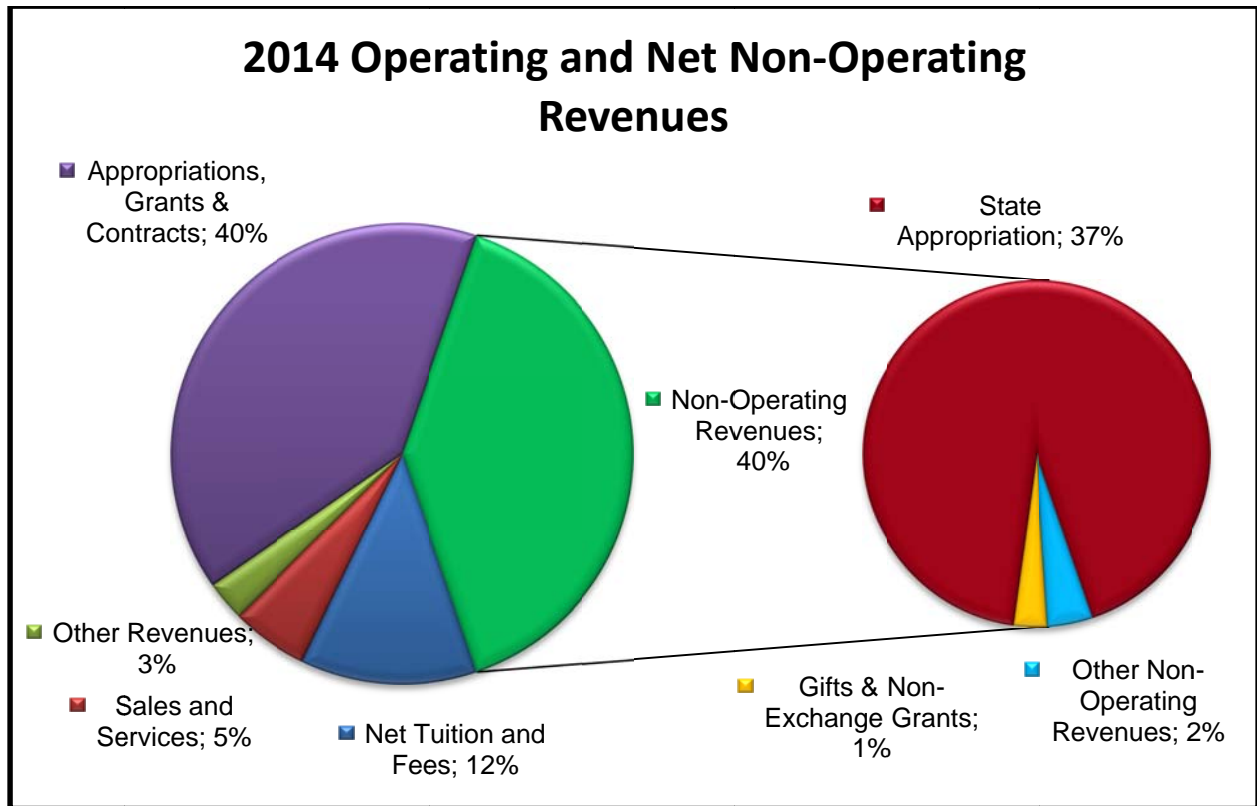
- Increase in Instruction expenses of \$5.3 million (3.9%). This increase is due to increased spending due to the elevated Instruction and General state-appropriated funding.
- Increase in depreciation expense of \$2.2 million (6.8%).

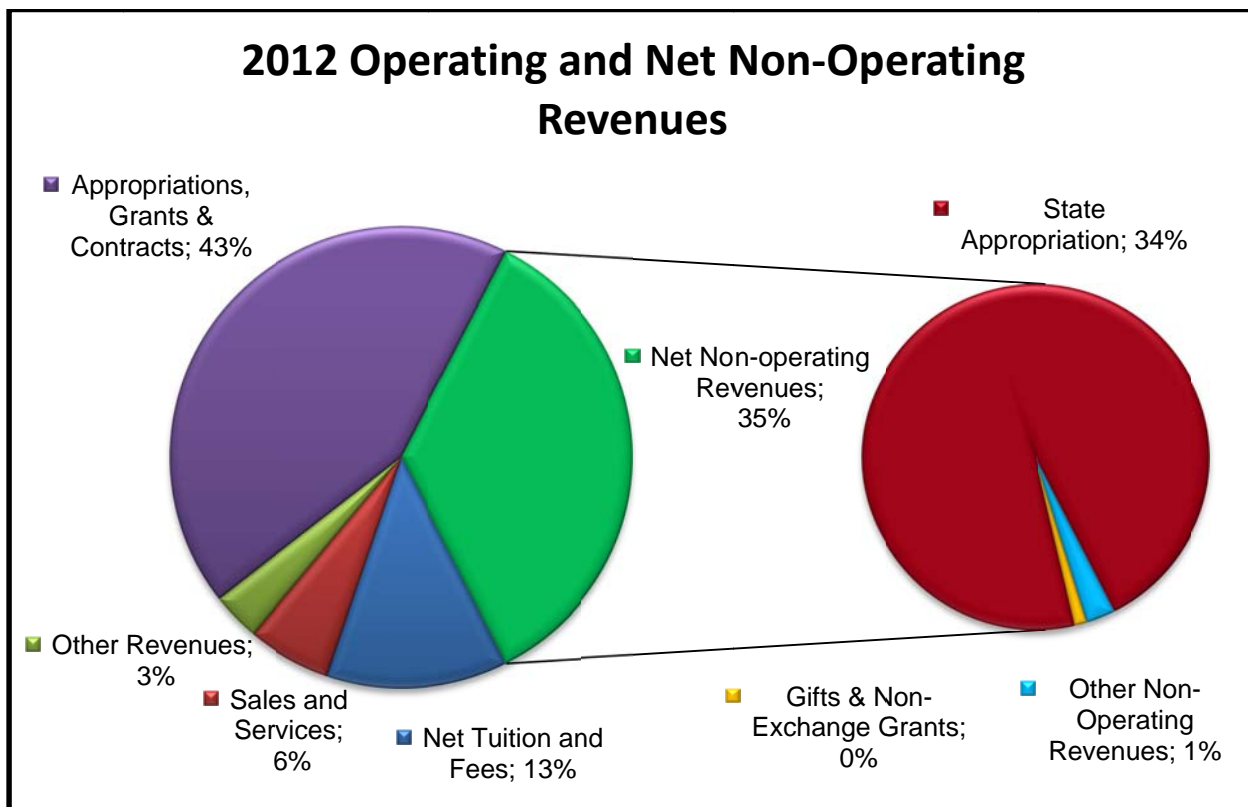
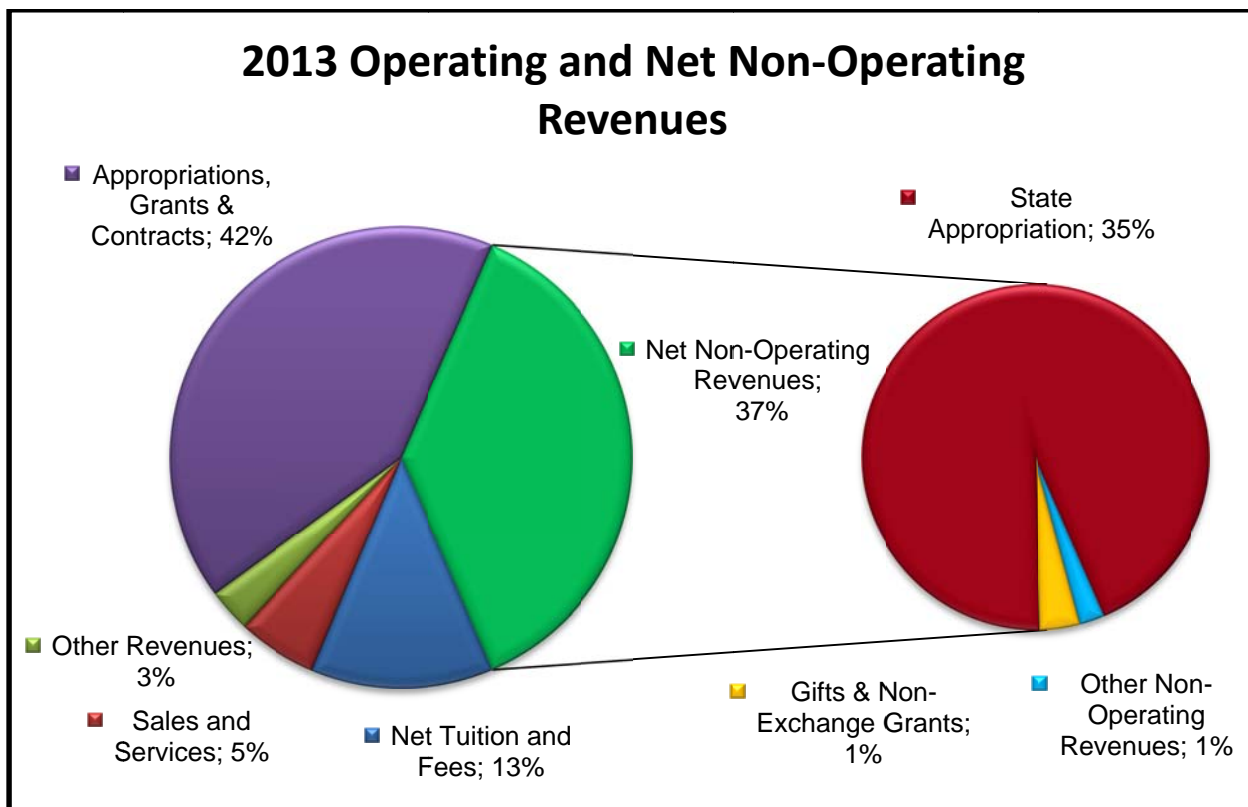
The following graph illustrates a comparison of operating expense (in millions) by function, excluding depreciation and loan administration, for fiscal years 2014, 2013, and 2012.



The Statement of Revenues, Expenses, and Changes in Net Position reflects a *Net loss before other revenues, expenses, gains or losses* of \$11.2 million, \$11.6 million, and \$24.4 million in fiscal years 2014, 2013 and 2012, respectively.

The following graphs reflect the University's sources of revenue available to meet current operating costs for fiscal years 2014, 2013 and 2012.





Capital Asset and Debt Administration

The increase in capital assets during fiscal year 2014 can be attributed primarily to the ongoing construction costs for the Institute for Public Policy, which will be known as Pete V. Domenici Hall (\$10.1 million), completion of Phase 3 Doña Ana Community College campus at Sunland Park (\$3.3 million), the major renovation of the Corbett Center Student Union (\$2.8 million), completion of the chilled water project (\$2.7 million), the completed renovation to the University Golf Course irrigation system (\$1.9 million) and the ongoing construction of the new Undergraduate Learning Center (\$1.6 million). The Information and Computing Technology department added \$3.1 million in computing equipment and software during the fiscal year and broadcast production equipment for Aggie Vision totaling \$1.1 million was also acquired.

The fiscal year 2013 increase in capital assets was due in part to completion of the previously partially-capitalized Center for the Arts (\$14.2 million), the Satellite Chilled Water plant (\$3.8 million), improvements to the campus dining area within the Corbett Center Student Union building (\$1.9 million), phases six and seven at the East Mesa Campus of the Doña Ana Community College (\$1.9 million) and Phase 2 of the Chamisa Village Student Apartments (\$1.1 million). Construction work in process expenditures incurred in fiscal year 2013 totaled \$1.4 for the Institute for Public Policy.

During fiscal year 2012, the capital assets increases were largely the result of the completion of Phase 2 of the Chamisa Village Student Apartments (\$14.1 million), the completion of phases 6 and 7 of the Doña Ana Community College East Mesa Campus (\$10 million), completion of the infrastructure portion of the Satellite Chilled Water Plant (\$9.7 million). Construction In Progress (CIP) for the Center for the Arts continued through FY 2012, accumulating additional future capitalizable expenditures of \$18.5 million during the year. The remaining components of the Satellite Chilled Water Plant incurred CIP expenditures of \$6.5 million in FY12.

Budget Comparison

In comparing the total original budgeted revenue to the revised budgeted revenue for fiscal year 2014, there was a net increase of approximately \$17.8 million, and an increase of approximately \$15.8 million in revised budgeted expenditures. The most significant changes to the revenue budget were anticipated increases in Other Sources of Revenue, the majority of which was related to capital projects, offset in part by anticipated decreases related to Federal government grants and contracts for student financial aid and tuition and fees revenue. The increase in budgeted expenditures relates primarily to expenditures for Capital Outlay and is offset in part by a reduced Renewals and Replacements budget in the plant fund. There were less significant changes in several of the other functional expense categories.

Actual revenues earned in fiscal year 2014 were lower than the revised budget by \$38.3 million and actual expenditures were lower than the revised budget by \$65 million. The main contributor to the revenue budget variance was Federal government grants and contracts (58% of the change) and the main contributors to the expense budget variance were the Instruction, Research, Student Financial

Aid, Capital Outlay and Renewals and Replacements categories (78% of the change). Because the University budgets capital projects in their entirety, multi-year projects may result in mismatches of budget to actual revenues and expenses in any one year. Total operating expenditures were less than revenues, resulting in an increase in the overall fund balance of \$2 million.

Factors Impacting Future Periods

The New Mexico Higher Education Department presented a revised funding formula for higher education to Governor Susana Martinez and the Legislative Finance Committee during fiscal year 2012. The new formula which incorporated fundamental changes to the prior funding formula calculation has been used to determine the general fund appropriations for higher education for instruction and general purposes since fiscal year 2013. Additional modifications to the funding formula were incorporated in the formula calculation presented by the New Mexico Higher Education Department during fiscal years 2013 and 2014. It is expected that additional changes will be made during fiscal year 2015.

The NMSU system experienced a student enrollment decline of six percent fall 2014. The University is in the process of completing internal budgetary adjustments necessary to absorb the reduced tuition and fee revenue with the goal of minimizing the impact to the core mission of the Institution.

The University is not aware of any additional facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during fiscal year 2015, beyond those unknown variations having a global effect on virtually all types of business operations. The University will maintain close oversight of resources to ensure the University's ability to react to unknown internal and external issues.

New Mexico State University

Statement of Net Position

As of June 30, 2014

| | University | Discrete Component Unit |
|--|-----------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 11,630,030 | \$ 8,167,324 |
| Cash and cash equivalents held in trust by Component Unit for NMSU | 2,272,945 | 2,272,945 |
| Short-term investments | 17,045,331 | 2,440,868 |
| Accounts receivable, net | 53,420,331 | 1,179,385 |
| Due from Component Unit | 2,114,525 | - |
| Inventories | 2,264,054 | 13,774 |
| Prepaid expenses | 2,807,736 | 83,664 |
| Student loans receivable - current portion, net | 1,449,006 | - |
| Total current assets | 93,003,958 | 14,157,960 |
| Non-current assets | | |
| Restricted cash and cash equivalents | 62,228,684 | 1,943,853 |
| Investments held by others | 64,426,433 | 2,712,649 |
| Investments held in trust by Component Unit for NMSU | 42,956,809 | 42,956,809 |
| Investments held in trust for others | - | 377,063 |
| Other long-term investments | 67,202,871 | 114,285,491 |
| Student loans receivable, net | 13,041,054 | - |
| Prepaid expenses and other assets | 10,451 | 179,111 |
| Capital assets, net | 494,239,707 | 328,286 |
| Total non-current assets | 744,106,009 | 162,783,262 |
| TOTAL ASSETS | 837,109,967 | 176,941,222 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 9,193,459 | 799,710 |
| Due to NMSU | - | 2,114,525 |
| Other accrued liabilities | 23,935,981 | - |
| Accrued interest payable | 1,909,773 | - |
| Held in trust for NMSU | - | 2,272,945 |
| Unearned revenue | 10,971,359 | 56,075 |
| Held in trust by NMSU | 619,643 | - |
| Long-term liabilities - current portion | 13,746,068 | 193,212 |
| Total current liabilities | 60,376,283 | 5,436,467 |
| Non-current liabilities | | |
| Accrued benefit reserves | 661,600 | - |
| Held in trust for NMSU | - | 42,956,809 |
| Other long-term liabilities | 182,598,699 | 5,265,592 |
| Total non-current liabilities | 183,260,299 | 48,222,401 |
| TOTAL LIABILITIES | 243,636,582 | 53,658,868 |
| DEFERRED INFLOWS OF RESOURCES | 250,191 | - |
| NET POSITION | | |
| Net investment in capital assets | 335,008,169 | 328,286 |
| Restricted for: | | |
| Non-expendable: | | |
| Endowments | 91,694,191 | 78,130,947 |
| Expendable: | | |
| Endowments | 1,926,232 | 35,304,979 |
| General activities | 281,971 | 8,181,426 |
| Federal student loans | 17,173,149 | - |
| Capital projects | 8,219,413 | - |
| Related entity activities | 1,049,384 | - |
| Unrestricted | 137,870,685 | 3,902,474 |
| TOTAL NET POSITION | \$ 593,223,194 | \$ 125,848,112 |

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Net Position

As of June 30, 2013

| | University | Discrete Component Unit |
|--|-----------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 31,266,242 | \$ 10,637,732 |
| Cash and cash equivalents held in trust by Component Unit for NMSU | 2,245,069 | 2,245,069 |
| Short-term investments | 5,086,009 | 2,367,431 |
| Accounts receivable, net | 56,128,257 | 1,061,665 |
| Due from Component Unit | 2,992,009 | - |
| Inventories | 2,371,654 | 13,775 |
| Prepaid expenses | 2,533,326 | 60,628 |
| Student loans receivable - current portion, net | 1,400,810 | - |
| Total current assets | 104,023,376 | 16,386,300 |
| Non-current assets | | |
| Restricted cash and cash equivalents | 63,075,076 | 476,920 |
| Investments held by others | 57,201,808 | 2,896,673 |
| Investments held in trust by Component Unit for NMSU | 39,690,320 | 39,690,320 |
| Investments held in trust for others | - | 353,746 |
| Other long-term investments | 56,250,054 | 100,909,460 |
| Student loans receivable, net | 12,607,289 | - |
| Prepaid expenses and other assets | 68,240 | 179,112 |
| Capital assets, net | 483,982,345 | 404,567 |
| Total non-current assets | 712,875,132 | 144,910,798 |
| TOTAL ASSETS | 816,898,508 | 161,297,098 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| | 23,983 | - |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 9,375,106 | 1,339,096 |
| Due to NMSU | - | 2,992,009 |
| Other accrued liabilities | 23,720,121 | - |
| Accrued interest payable | 1,807,222 | - |
| Held in trust for NMSU | - | 2,245,069 |
| Unearned revenue | 20,495,560 | - |
| Held in trust by NMSU | 1,377,601 | - |
| Long-term liabilities - current portion | 12,776,692 | 204,602 |
| Total current liabilities | 69,552,302 | 6,780,776 |
| Non-current liabilities | | |
| Accrued benefit reserves | 678,630 | - |
| Held in trust for NMSU | - | 39,690,320 |
| Other long-term liabilities | 173,836,159 | 3,043,318 |
| Total non-current liabilities | 174,514,789 | 42,733,638 |
| TOTAL LIABILITIES | 244,067,091 | 49,514,414 |
| NET POSITION | | |
| Net investment in capital assets | 325,542,890 | 404,568 |
| Restricted for: | | |
| Non-expendable: | | |
| Endowments | 84,024,691 | 74,049,562 |
| Expendable: | | |
| Endowments | 1,970,758 | 26,269,604 |
| General activities | 1,835,285 | 8,578,565 |
| Federal student loans | 17,012,171 | - |
| Capital projects | 11,444,743 | - |
| Related entity activities | 1,559,077 | - |
| Unrestricted | 129,465,785 | 2,480,385 |
| TOTAL NET POSITION - RESTATED | \$ 572,855,400 | \$ 111,782,684 |

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2014

| | University | Discrete Component Unit |
|---|-----------------------|-------------------------------|
| REVENUES | | |
| Operating revenues: | | |
| Student tuition and fees (gross) | \$ 113,342,683 | \$ - |
| Less: scholarship allowances | (46,788,792) | - |
| Student tuition and fees (net) | 66,553,891 | - |
| Federal appropriations, grants and contracts | 157,349,263 | - |
| State grants and contracts | 31,875,977 | - |
| Local appropriations, grants and contracts | 14,532,986 | - |
| Non-governmental grants and contracts | 10,682,840 | 10,840,184 |
| Sales and services | 28,724,378 | 3,874,254 |
| Other operating revenues | 15,245,273 | - |
| Total operating revenues | 324,964,608 | 14,714,438 |
| EXPENSES | | |
| Operating expenses: | | |
| Instruction | 147,827,726 | - |
| Research | 107,812,478 | - |
| Public service | 43,404,876 | - |
| Academic support | 26,764,580 | - |
| Student services | 18,102,595 | - |
| Institutional support | 31,100,622 | - |
| Operation and maintenance of plant | 39,613,150 | - |
| Scholarships and fellowships | 38,912,214 | - |
| Auxiliary enterprises | 25,093,890 | - |
| Independent operations | 16,317,665 | - |
| Intercollegiate athletics | 16,726,036 | - |
| Student social and cultural | 3,901,094 | - |
| Loan administration (net) | 49,770 | - |
| Depreciation | 32,580,328 | 107,597 |
| Other operating expenses | | 15,416,659 |
| Total operating expenses | 548,207,024 | 15,524,256 |
| Net operating income (loss) | (223,242,416) | (809,818) |
| Non-operating revenues (expenses): | | |
| State appropriations | 196,281,497 | |
| Gifts and non-exchange grants | 6,896,381 | |
| Investment income | 11,281,107 | 10,836,941 |
| Interest and other expenses on capital asset-related debt | (5,187,328) | |
| Other non-operating revenues (expenses) | 2,810,680 | (43,080) |
| Net non-operating revenues | 212,082,337 | 10,793,861 |
| Income (loss) before other revenues, expenses, gains or losses | (11,160,079) | 9,984,043 |
| Capital appropriations | 6,721,993 | |
| Capital grants, gifts and other income | 12,475,187 | |
| Building fees | 5,201,950 | |
| Loss on disposal of plant | (621,833) | |
| Additions to permanent endowments | 7,669,500 | 4,081,385 |
| Additions to quasi endowments | 81,076 | |
| Increase in net position | 20,367,794 | 14,065,428 |
| NET POSITION | | |
| Beginning of year | 572,855,400 | 111,782,684 |
| End of year | \$ 593,223,194 | \$ 125,848,112 |

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2013

| | University | Discrete Component Unit |
|---|-----------------------|-------------------------------|
| REVENUES | | |
| Operating revenues: | | |
| Student tuition and fees (gross) | \$ 114,254,961 | \$ - |
| Less: scholarship allowances | (45,533,239) | - |
| Student tuition and fees (net) | 68,721,722 | - |
| Federal appropriations, grants and contracts | 168,576,851 | - |
| State grants and contracts | 31,029,311 | - |
| Local appropriations, grants and contracts | 13,295,396 | - |
| Non-governmental grants and contracts | 10,027,218 | 10,721,187 |
| Sales and services | 29,726,381 | 3,844,608 |
| Other operating revenues | 16,414,870 | - |
| Total operating revenues | 337,791,749 | 14,565,795 |
| EXPENSES | | |
| Operating expenses: | | |
| Instruction | 142,557,245 | - |
| Research | 113,062,993 | - |
| Public service | 42,560,765 | - |
| Academic support | 25,881,083 | - |
| Student services | 18,094,616 | - |
| Institutional support | 31,484,000 | - |
| Operation and maintenance of plant | 35,553,790 | - |
| Scholarships and fellowships | 44,216,920 | - |
| Auxiliary enterprises | 25,849,920 | - |
| Independent operations | 15,463,869 | - |
| Intercollegiate athletics | 15,512,117 | - |
| Student social and cultural | 3,852,034 | - |
| Loan administration (net) | 494,101 | - |
| Depreciation | 33,603,512 | 106,923 |
| Other operating expenses | - | 13,114,056 |
| Total operating expenses | 548,186,965 | 13,220,979 |
| Net operating income (loss) | (210,395,216) | 1,344,816 |
| Non-operating revenues (expenses): | | |
| State appropriations | 186,844,759 | - |
| Gifts and non-exchange grants | 7,381,193 | - |
| Investment income | 6,343,757 | 5,265,592 |
| Interest and other expenses on capital asset-related debt | (2,266,448) | - |
| Other non-operating revenues (expenses) | 442,405 | (158,472) |
| Net non-operating revenues | 198,745,666 | 5,107,120 |
| Income (loss) before other revenues, expenses, gains or losses | (11,649,550) | 6,451,936 |
| Capital appropriations | 7,074,122 | - |
| Capital grants, gifts and other income | 3,560,709 | - |
| Building fees | 5,190,829 | - |
| Loss on disposal of plant | (1,132,363) | - |
| Additions to permanent endowments | 3,652,849 | 4,692,176 |
| Additions to quasi endowments | 584,907 | - |
| Increase in net position | 7,281,503 | 11,144,112 |
| NET POSITION | | |
| Beginning of year | 565,573,897 | 100,638,572 |
| End of year - restated | \$ 572,855,400 | \$ 111,782,684 |

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Cash Flows

For the Year Ended June 30, 2014

| | University |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Tuition and fees and other student payments received | \$ 58,428,990 |
| Grants and contracts received | 211,252,780 |
| Payments to suppliers | (118,639,295) |
| Payments for travel | (14,303,503) |
| Payments to employees and for employee benefits | (340,388,473) |
| Disbursement of net aid to students | (43,968,924) |
| Receipts from sales and services | 28,724,378 |
| Other operating revenues | 20,961,712 |
| NET CASH USED BY OPERATING ACTIVITIES | (197,932,335) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | |
| State appropriations | 196,281,497 |
| Gifts for other than capital purposes | 6,896,381 |
| Private gifts for endowment | 521,381 |
| Other non-operating revenue | 2,810,681 |
| NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | 206,509,940 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from non capital debt | 15,865,000 |
| Capital gifts, grants and contracts | 19,197,180 |
| Purchases/construction/renovation of capital assets | (38,836,998) |
| Principal paid on capital debt and leases | (9,920,418) |
| Interest and fees paid on capital debt and leases | (5,645,796) |
| Building fees received from students | 5,201,950 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (14,139,082) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sales and maturities of investments | 37,008,163 |
| Interest on investments | 1,191,697 |
| Purchase of investments | (79,229,732) |
| Realized gain on investments | 26,108,745 |
| NET CASH USED BY INVESTING ACTIVITIES | (14,921,127) |
| Net decrease in cash and cash equivalents | (20,482,604) |
| Cash and cash equivalents - beginning of year | 94,341,318 |
| Cash and cash equivalents - end of year | \$ 73,858,714 |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities: | |
| Operating loss | \$ (223,242,417) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | |
| Depreciation expense | 32,580,328 |
| Change in assets and liabilities: | |
| Decrease in accounts receivable | 3,585,411 |
| Increase in prepaid expenses | (216,621) |
| Decrease in inventory | 107,600 |
| Increase in loans receivable | (481,961) |
| Decrease in accounts payable | (181,647) |
| Increase in other accrued liabilities | 199,131 |
| Decrease in unearned revenue | (9,524,201) |
| Decrease in Held in Trust by NMSU | (757,958) |
| | \$ (197,932,335) |

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Cash Flows

For the Year Ended June 30, 2013

| | University |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Tuition and fees and other student payments received | \$ 66,660,505 |
| Grants and contracts received | 242,572,868 |
| Payments to suppliers | (120,674,411) |
| Payments for travel | (14,613,517) |
| Payments to employees and for employee benefits | (338,319,779) |
| Disbursement of net aid to students | (48,978,573) |
| Receipts from sales and services | 29,726,381 |
| Other operating revenues | 15,702,952 |
| NET CASH USED BY OPERATING ACTIVITIES | (167,923,574) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | |
| State appropriations | 186,844,759 |
| Gifts for other than capital purposes | 7,381,193 |
| Private gifts for endowment | 929,207 |
| Other non-operating revenue | 442,405 |
| NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | 195,597,564 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from capital debt | 56,200,000 |
| Capital gifts, grants and contracts | 10,634,831 |
| Purchases/construction/renovation of capital assets | (36,447,074) |
| Principal paid on capital debt and leases | (47,989,438) |
| Interest and fees paid on capital debt and leases | (2,473,393) |
| Building fees received from students | 5,190,829 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (14,884,245) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sales and maturities of investments | 74,059,190 |
| Interest on investments | 1,288,227 |
| Purchase of investments | (76,330,182) |
| Realized gain on investments | 16,172,750 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 15,189,985 |
| Net increase in cash and cash equivalents | 27,979,730 |
| Cash and cash equivalents - beginning of year | 66,361,588 |
| Cash and cash equivalents - end of year | \$ 94,341,318 |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities: | |
| Operating loss | \$ (210,395,216) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | |
| Depreciation expense | 33,603,512 |
| Change in assets and liabilities: | |
| Decrease in accounts receivable | 12,767,215 |
| Increase in prepaid expenses | (144,029) |
| Increase in inventory | (29,545) |
| Decrease in loans receivable | 882,141 |
| Decrease in accounts payable | (10,635,152) |
| Increase in other accrued liabilities | 1,923,758 |
| Increase in unearned revenue | 2,726,138 |
| Increase in Held in Trust by NMSU | 1,377,604 |
| NET CASH USED BY OPERATING ACTIVITIES | \$ (167,923,574) |

The notes to the financial statements are an integral part of the financial statements.

Note 1 – Organization

New Mexico State University (the University) was created under Section 21-8-1 New Mexico Statutes Annotated (NMSA), Article XII, Section 11, of the New Mexico State Constitution (Constitution). Under Article XII, Section 13 of the Constitution, the University is governed by the Board of Regents, a group of five members, one of whom is a student, appointed by the Governor of New Mexico. Members may serve more than one term. The President of the University acts as Chief Executive Officer.

The University was founded in 1888, and in 1889 was established as a land-grant college, in accordance with the provisions of the Morrill Act of 1862. As such, the University provides a liberal and practical education for students and sustains programs of research, extension education, and public service. The University offers a broad program of instruction at the undergraduate and advanced degree levels in Agricultural, Consumer and Environmental Sciences, Arts and Sciences, Business, Education, Engineering, and Health and Social Services. Other programs include Intercollegiate Athletics, the Agricultural Experiment Stations, the Physical Science Laboratory for contract research, the Cooperative Extension Service, the New Mexico Department of Agriculture, and community colleges at Alamogordo, Carlsbad, Doña Ana County, and Grants.

New Mexico State University Foundation, Inc. (Foundation), is the “Discrete Component Unit” referred to throughout this document. The Foundation is a not-for-profit corporation established to acquire and manage charitable gifts, including endowed funds, to be used solely for the benefit of the University.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation. The Governmental Accounting Standards Board’s (GASB) 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, provide additional guidance to determine whether certain organizations, for which the primary government is not financially accountable, should be reported as component units, based on the nature and significance of their relationship with the primary government.

Under GASB 39 and GASB 61 criteria, the Foundation meets the criteria for discrete component unit presentation. Arrowhead Center, Inc. meets the criteria for blended presentation. The University and its blended component unit are shown as the University column in the financial statements. The component units have separately audited financial statements, which can be obtained at their administrative offices. Addresses for the component units are included in Note 11.

Basis of Accounting. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the GASB, the American Institute of Certified Public Accountants’ (AICPA) guide, and the New Mexico Higher Education Department’s Financial Reporting manual for Public Institutions in New Mexico.

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University’s financial statements have been presented in a single column using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Eliminations are not performed between the University and the Foundation. The University is an agency of the State of New Mexico and, as such, is included in the State of New Mexico’s Comprehensive Annual Financial Report.

Statement of Net Position. Current assets consist of unrestricted assets which are available for current operations or which will be available within one year and restricted assets that will be used in current operations. All other assets are classified as non-current assets. Current liabilities consist of those liabilities that are due within one year including the current portion of any long-term liabilities.

Cash and Investments. Cash and cash equivalents consist of cash on hand and current investments, which are defined as investments that are readily convertible to cash or which have an original maturity date of three months or less.

The University accounts for its investments at fair value. Changes in the unrealized gain (loss) on the carrying value of investments are reported as a component of investment income (loss) in the Statement of Revenues, Expenses, and Changes in Net Position.

The Foundation records purchased marketable securities at cost and marketable securities received by gift at estimated fair value on the date of donation. Marketable securities are carried by the Foundation at fair value based on quoted market prices, except for certain alternative investments for which quoted market prices are not available. The estimated fair value of these alternative investments is based on the most recent valuations provided by the external investment managers. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of the fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Third-party investment managers administer substantially all marketable securities of the Foundation. Gains and losses resulting from securities transactions are recorded in investment income.

The Foundation manages a Common Endowment Pool (Pool), consisting of assets invested to support programs of the University. A portion of these assets belongs to the University and is shown in the University's Statement of Net Position as Investments held in trust by Component Unit for NMSU. The Foundation owns the remainder, which consists of endowments and charitable gift annuities. These are included in other long-term investments in the Foundation's financial statements. The liabilities related to the charitable gift annuities are included in the Foundation's other long-term liabilities.

Disbursements of the net appreciation of investments in donor restricted endowments are permitted in accordance with the New Mexico Uniform Prudent Management of Institutional Funds Act (UPMIFA), except where a donor has specified otherwise. The Investment Committee of the Foundation establishes a target investment allocation designed to support distributions from the Pool and to protect the purchasing power of the endowment principal. The Foundation Investment Committee sets the annual distribution rate. Actual distributions may be adjusted as directed by some of the individual endowment agreements. The amount of funds available for distribution from the Pool to the individual endowments participating in the fund that benefit colleges, departments, units and programs during each fiscal year is determined using a weighted average of two numbers: 1) The target spending based on the current endowment value, and 2) last year's spending adjusted for inflation. A 20-percent weighting is given to the policy rate applied to the Pool's market value at the end of each fiscal quarter, and an 80-percent weighting is given to the last year's spending adjusted for inflation as measured by the most recent published Higher Education Price Index. This amount is then distributed at the end of each fiscal year. The distribution of the annual calculation is based on the unitized system ownership of each fund.

Accounts Receivable. Accounts receivable primary categories are: 1) Tuition and fees; 2) Amounts due for auxiliary enterprise services provided to students, faculty and staff; and, 3) Amounts due from federal, state, local governments, and others in connection with reimbursement of allowable expenditures made pursuant to the University's sponsored awards. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories. Inventories are generally stated at the lower of cost or market. Cost is determined by the average cost method, which approximates the first-in-first-out method. Inventories consist of items that are available for resale to individuals and/or other University departments, including research supplies and livestock items. Departmental inventories comprised of items such as classroom and laboratory supplies, teaching materials, and office supply items, which are consumed in the teaching and administrative process, are expensed when purchased.

Investments Held in Trust. Trust assets held by the Foundation are measured at fair value as of the date of receipt. The corresponding trust liability, included in other long-term liabilities, is measured at the present value of expected future cash flows to be paid to the beneficiary. Upon death of the income beneficiary, substantially all of the principal balance passes to the Foundation to be used in accordance with the donor's wishes.

The Foundation holds several irrevocable charitable remainder trusts and a pooled income fund; these instruments are shown in the accompanying financial statements as investments held in trust for others. Charitable remainder trusts designate the Foundation as both trustee and remainder beneficiary. The Foundation is required to pay to the donor, or another donor-designated income beneficiary, either a fixed amount or the lesser of a fixed percentage of the fair market value of the trust's assets or the trust's income during the beneficiary's life.

The pooled income fund was formed with contributions from several donors. The contributed assets are invested and managed by the Foundation. Each donor, or designated beneficiary, periodically receives, during his or her life, a share of the income earned on the fund proportionate to the value of the contribution to the fund. Upon death of the income beneficiary, substantially all of the principal balance passes to the Foundation to be used in accordance with the donor's wishes. Contribution revenue is measured at the fair value of the assets received, discounted for a term equal to the life expectancy of the beneficiary.

Capital Assets. Capital assets are recorded at cost as of the date of acquisition, or in the case of gifts, fair market value as of the date of donation. The University's capitalization threshold for equipment acquired after July 1, 2005, is \$5,000; for equipment acquired prior to that date, the threshold was \$1,000. Software is capitalized at \$5,000. Infrastructure and land improvements that significantly increase the value, productivity, or extend the useful life of the structure are capitalized at \$50,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

The University's depreciation is computed using the straight-line method. Land and land improvements are not depreciated. Estimated useful lives for major asset classes are as follows:

| <u>Category</u> | <u>Useful Life</u> |
|-----------------------------|--------------------|
| Software | 5 or 10 years |
| Equipment | 6 or 15 years |
| Infrastructure | 10 or 20 years |
| Componentized buildings | 12 to 50 years |
| Library books | 15 years |
| Non-componentized buildings | 50 years |

The Foundation's capital assets are stated at cost, except for works of art that the Foundation intends to hold indefinitely, which are recorded at fair value on the date of donation. Additions and major improvements are capitalized and repairs and maintenance are charged to expense as incurred.

The Foundation uses the straight-line depreciation method for capital assets. Depreciation expense is recorded over the approximate useful life of each class of asset:

| <u>Category</u> | <u>Useful Life</u> |
|-------------------------|--------------------|
| Computer equipment | 5 years |
| Software | 5 years |
| Automobiles | 5 years |
| Furniture and equipment | 7 years |
| Other items | 10 to 15 years |

Current Liabilities. Current liabilities include accounts payable, accrued current payroll, fringe benefits and accrued interest payable. The benefits included consist of the employee and employer portions of taxes, insurance, retirement and other compensation related withholdings. Also included is the current portion of unclaimed property and unearned revenue. Unearned revenue represents revenue collected but not earned as of June 30, 2014 and 2013. This amount is primarily composed of revenue for grants and contracts, prepaid student tuition and fees and special events. The University did not have any outstanding short-term debt for the years ended June 30, 2014 and 2013.

Non-Current Liabilities. Non-current liabilities include principal amounts of revenue bonds payable, contracts payable, the non-current portion of accrued compensated absences, and other liabilities.

The Foundation's other long-term liabilities consist of the liabilities related to charitable gift annuities and charitable remainder unitrusts for which the Foundation serves as trustee. These liabilities are recorded at the present value of anticipated payments to the income beneficiaries. These are computed using the estimated life of each income beneficiary at June 30 each year and the applicable IRS discount interest rates.

Annual and Sick Leave Policies. Regular full-time exempt and non-exempt employees earn annual leave at a rate of 22 working days per year and sick leave at a rate of 12 working days per year. Leave is prorated for regular employees working at least half-time. University policy allows employees to accumulate a maximum of 30 unused annual leave days. Accumulated annual leave is paid upon termination. Employees may carry forward up to 100 days (800 hours) of sick leave. Upon termination, employees will be paid for earned sick leave over 600 hours (not to exceed 200 hours). The sick leave payment is made at a rate of 50 percent of the employee's straight-time hourly salary.

Net Position. The University's net position is classified as follows:

- *Net investment in capital assets* – Invested in capital assets, net of related debt represents the University's total capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. Debt that has been incurred but not yet expended for capital assets is not included as a component of invested in capital assets, net of related debt.
- *Restricted net position, non-expendable* – Restricted net position, non-expendable consists of endowment and similar type assets for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income.
- *Restricted net position, expendable* – Restricted net position - expendable includes resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

- *Unrestricted net position* – Unrestricted net position represents all other resources, including those derived from student tuition and fees, state appropriations, sales and services, unexpended plant, renewal and replacement and quasi endowments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. Unrestricted net position of the Component Unit represent resources that may be used at the discretion of the governing board of the Component Unit to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Elimination Entries. Eliminations have been made in the Statement of Revenues, Expenses, and Changes in Net Position to remove the effect of internal charges incurred for service activities in excess of the cost of providing those services and for revenue recognized by the Auxiliary Service departments for sales to other University departments. Elimination entries are not recorded between the University and the Discrete Component Unit.

Income Taxes. The income generated by the University as an instrumentality of the State of New Mexico is generally excluded from federal income taxes under section 115(a) of the Internal Revenue Code. However, the University is subject to taxation on income derived from business activities not substantially related to the University's exempt function (unrelated business income under Internal Revenue Code Section 511); such income is taxed at the normal corporate rate. Contributions to the University are deductible by donors as provided under Section 170 of the Internal Revenue Code.

The Foundation is exempt from federal income taxes under Internal Revenue Code section 501(c)(3).

Classification of Revenues. The University classifies its revenues as either operating or non-operating revenues according to the following criteria:

- *Operating revenues:* Operating revenues of the University include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises; (3) most federal, state and local grants and contracts and federal appropriations; and (4) interest on institutional student loans. Operating revenues of the Discrete Component Unit consist of gifts, grants, and fundraising activities in support of Foundation and University programs.
- *Non-operating revenues:* Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations, investment income, and other revenue sources that are defined as non-operating revenues by GASB 9, *Reporting Cash Flows Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34. These revenue streams are recognized under GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Revenues are recognized when all applicable eligibility requirements have been met.

Classification of Expenses. The University classifies its expenses as either operating or non-operating expenses according to the following criteria:

- *Operating expenses:* Operating expenses include activities that have the characteristics of exchange transactions, such as (1) employee salaries, benefits, and related expenses; (2) scholarships and fellowships, net of scholarship discounts and allowances; (3) utilities, supplies, and other services; (4) professional fees; and (5) depreciation expenses related to property, plant, and equipment.
- *Non-operating expenses:* Non-operating expenses include activities that have the characteristics of non-exchange transactions, such as interest on capital asset-related debt and other expenses that are defined as non-operating expenses by GASB 9 and GASB 34.

Scholarship Discounts and Allowances. Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants, such as Pell grants and other federal, state or non-governmental programs, may be recorded as either operating or non-operating revenues in the University's financial statements. These determinations are made based on definitions in GASB 9 and GASB 34. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded scholarship discount and allowance as a contra-revenue.

Budgetary Process. Operating budgets are submitted annually for approval to the Board of Regents, the New Mexico Higher Education Department (HED), and the New Mexico Department of Finance and Administration - State Budget Division (DFA). These state agencies develop consolidated funding recommendations for all higher education institutions which are considered for appropriation during the annual legislative sessions. In accordance with House Bill 2, in general, unexpended state appropriations to the University do not revert at the end of each fiscal year. All state appropriations are accounted for separately in the accounting system.

The legal level of budgetary control is at the fund type and functional level, in accordance with NMAC 5.3.4.10. There were no violations in fiscal years 2014 and 2013. The modified accrual basis of accounting is used for budgetary comparison. If expenditures by budgetary control line by campus are expected to exceed the approved budget, the University is required to submit a budget adjustment request which has been approved by the Board of Regents to the HED which is subsequently forwarded to the DFA.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Student Loans Receivable. Student loans receivable are shown net of allowance for doubtful accounts in the accompanying Statements of Net Position. Federal Perkins Loans make up approximately 99% of the student loans receivable at both June 30, 2014 and 2013. Loans receivable from students are generally repayable in installments to the University over a 10 year period commencing 6 or 9 months after the date of separation from the University. Collections on these student loans are primarily handled through a third party servicer. Under this program, the federal government provided funds for approximately 75% of the total contribution for student loans, with the University providing the balance. The school's revolving Perkins loan fund is replenished by ongoing activities, such as collections by the school on outstanding Perkins loans made by the school and reimbursements from the Department of

Education for the cost of certain statutory loan cancellation provisions. Perkins borrowers are eligible for loan cancellation for teacher service at low-income schools and under certain other circumstances specified in the Higher Education Act. Students may defer repayment of the loan while enrolled (at least half-time) at a postsecondary school. A borrower who has difficulty repaying a Perkins Loan may be eligible for a deferment or forbearance based on economic hardship or other circumstances.

Restatement. The June 30, 2013 net position was restated as a result of the adoption of GASB 65. This statement requires that debt issuance costs, except any portion related to prepaid insurance costs, be recognized as an expense in the period incurred. An adjustment was made to expense all applicable debt issuance costs that had previously been held and were being amortized on an annual basis. The following table shows the result of this restatement on the net position at June 30, 2013.

| Reconciliation of Net Position | |
|---|---------------------------|
| | Total Net Position |
| Net position at June 30, 2013, as previously reported | \$ 573,865,535 |
| Adjustment: | |
| Adoption of GASB 65 | (1,010,135) |
| Net position at June 30, 2013, restated for adoption of GASB 65 | <u>\$ 572,855,400</u> |

Reclassification of Net Position. During fiscal year 2014, management conducted an analysis of the University's net assets balances and categories related to its endowment funds. In reviewing authoritative guidance provided under GASB 34 concerning the proper classification of net assets, management concluded certain adjustments were needed to properly classify endowment net positions between Non-Expendable, Expendable and Funds Functioning as an Endowment which were included in Unrestricted net position. Accordingly, certain reclassification to fiscal year 2013 net position category balances were made to more accurately align with governmental reporting standards for endowments and 2014 presentation. The net position reclassifications identified below resulted in no change to any asset, liability, revenue, total expenses or total net position balances previously reported in the University's financial position.

| | Endowment Non Expendable | Endowment Expendable | Unrestricted | Total |
|---|--------------------------------|-------------------------|-----------------------|-----------------------|
| Net Position, June 30, 2013, as previously reported | \$ 83,419,096 | \$ - | \$ 132,042,138 | \$ 215,461,234 |
| Reclassification | 605,595 | 1,970,758 | (2,576,353) | - |
| Net Position, June 30, 2013, reclassified | <u>\$ 84,024,691</u> | <u>\$ 1,970,758</u> | <u>\$ 129,465,785</u> | <u>\$ 215,461,234</u> |

Reclassifications. Certain reclassifications were made to 2013 information to conform to 2014 presentation.

Other Significant Accounting Policies. Other significant accounting policies are set forth in the following notes.

Note 3 - Cash and Investments

The University is authorized by the Board of Regents to invest all available University cash. The classification "Cash and cash equivalents" includes cash in banks (deposits), cash on hand, petty cash change funds, certificates of deposit, and money market funds.

The Foundation (see Note 11) invests endowment and similar funds for the benefit of the University under the terms of a revocable agreement. These assets are invested in a common pool and as of June 30, 2014 and 2013, the University owned 352,802 and 367,140 shares which represented 27.46% and 28.43% of the total shares in the pool, respectively. The fair value per share as of June 30, 2014 and 2013, was \$122.36 and \$107.28, respectively.

Cash. The University's deposits are in demand and time deposit accounts at local financial institutions. The University requires a minimum of 50 percent collateralization of all uninsured funds deposited with a financial institution, with the exception of overnight repurchase agreements, which require 102 percent collateralization. All collateral is held in third-party safekeeping in the name of the University. The majority of the total deposits were invested in interest bearing accounts at June 30, 2014 and 2013.

Investments. The Senior Vice President for Administration and Finance, the Controller, the Associate Controller, and the Banking, Investment and Tax Manager are authorized to purchase and to sell investments of the University. Investments are required to be made in a prudent manner so as to ensure an acceptable yield with a minimum risk within the guidelines of the University's investment policy, which requires investment in securities or other financial instruments which are not contrary to Section 6-10-10 and 46-9-1 through 46-9-12 NMSA 1978, existing bond covenants, or other externally placed restrictions. At June 30, 2014 and 2013, all investments are either held in the name of the University by its agent, or held by the University. Investments that will mature in less than one year are considered short-term. The investments not held by the Foundation consisted of certificates of deposit and U.S. agency securities at June 30, 2014 and 2013. The Foundation's short-term investments in marketable securities consisted entirely of domestic stocks and bonds at June 30, 2014 and 2013.

Endowment investments were \$109,656,187 and \$99,137,196 at June 30, 2014 and 2013, respectively, and represent longer term investments in debt and equity securities, including, but not limited to, pooled or common trust funds holding such types of securities, subject to any specific limitation set forth in the applicable gift instrument.

At June 30, 2014 and 2013, the investments of the University and its Discrete Component Unit consisted of the following:

| | 2014 | | 2013 | |
|--|-----------------------------------|-----------------------|-----------------------------------|-----------------------|
| | Weighted Average Maturity (Years) | Fair Value | Weighted Average Maturity (Years) | Fair Value |
| University | | | | |
| U.S. Agency Securities | 4.26 | \$ 75,922,415 | 4.28 | \$ 50,478,047 |
| Municipal Securities | 1.32 | 2,130,291 | 2.92 | 3,270,643 |
| Certificates of Deposit | 1.06 | 5,781,100 | 1.23 | 5,281,100 |
| U.S. Government Securities | | - | 0.82 | 1,000,218 |
| Corporate Stocks and Bonds | | 414,396 | | 1,306,056 |
| Land Grant Permanent Fund | | 64,426,433 | | 57,201,808 |
| Pooled Cash and Investments Held by Others | | 45,229,754 | | 41,935,388 |
| Total Investments | | <u>\$ 193,904,389</u> | | <u>\$ 160,473,260</u> |
| Foundation | | | | |
| U.S Government and Agency Securities | | \$ 11,327,170 | | \$ 7,069,935 |
| Certificates of Deposit | | 2,048,105 | | 2,040,950 |
| Corporate Stocks and Bonds | | 55,718,497 | | 49,541,125 |
| Alternative Investments | | 31,977,120 | | 29,208,663 |
| Mortgage Backed Securities | | 14,563,660 | | 12,652,067 |
| Other Investments | | 1,091,807 | | 2,764,151 |
| Total Investments | | <u>\$ 116,726,359</u> | | <u>\$ 103,276,891</u> |

Investments held in trust by the Foundation for the University are shown in the University section of the table above and not in the Component Unit section. Investments held in trust for others by the Foundation are not included in this note.

In accordance with state statutes, the Land Grant Permanent Fund is held by the State of New Mexico for the benefit of the University.

The following is a schedule of the makeup of pooled cash and investments held by the Discrete Component Unit for the University at June 30, 2014 and 2013:

| | 2014 | 2013 |
|----------------------------|-------------|-------------|
| Equities | 73% | 75% |
| Fixed income | 22% | 16% |
| Cash and cash equivalents | 4% | 8% |
| Investments not securities | 1% | 1% |
| | <u>100%</u> | <u>100%</u> |

Collateralization of Deposits. At June 30, 2014 and 2013, the recorded values of the University's cash and time deposits with financial institutions were \$60,185,943 and \$76,031,345, respectively. Bank balances, which differ from the reported values due to reconciling items, are categorized and presented in the following table:

| | 2014 | 2013 |
|---|-----------------------------|-----------------------------|
| University | | |
| Amount insured by the Federal Deposit Insurance Corporation (FDIC) | \$ 6,389,667 | \$ 5,923,519 |
| Amount collateralized with securities held by the pledging financial institution | <u>56,800,838</u> | <u>73,306,911</u> |
| Total cash and time deposit bank balances | 63,190,505 | 79,230,430 |
| Time deposits | (5,781,100) | (5,281,100) |
| Cash Equivalents | 19,453,872 | 23,591,074 |
| Other reconciling items | <u>(3,004,563)</u> | <u>(3,199,086)</u> |
| Total reported cash balance | <u><u>\$ 73,858,714</u></u> | <u><u>\$ 94,341,318</u></u> |
| Foundation | | |
| Amount insured by the FDIC | \$ 376,777 | \$ 507,009 |
| Amount in excess of FDIC coverage | 7,853,338 | 762,375 |
| Amount at Merrill Lynch insured by Security Investor Protection Corporation (SIPC) and the FDIC | <u>1,881,062</u> | <u>9,845,268</u> |
| Total reported cash balance | <u><u>\$ 10,111,177</u></u> | <u><u>\$ 11,114,652</u></u> |

The following table provides information on the University's cash and cash equivalents at June 30, 2014:

| Account | Type of Account | Financial Institution Balance | Reconciling Items | Book Balance |
|--|-----------------|-------------------------------|-----------------------|----------------------|
| First National Bank of Alamogordo | | | | |
| Operational | Checking | \$ 75,876 | \$ (1,525) | \$ 74,351 |
| Operational | Debt Service | 856,336 | - | 856,336 |
| East Texas National Bank | | | | |
| Operational | Checking | 31,788 | (2,184) | 29,604 |
| Grants State Bank | | | | |
| Operational | Checking | 26,447 | (1,433) | 25,014 |
| Wells Fargo Bank of New Mexico | | | | |
| Operational | Checking | - | (2,965,079) | (2,965,079) |
| Operational | Student ACH | - | 12,484 | 12,484 |
| Operational | General | - | 42,791 | 42,791 |
| Operational | Payroll | - | (267,795) | (267,795) |
| Operational | Credit Card | - | 69,620 | 69,620 |
| Operational | Debt Service | 4,357,722 | - | 4,357,722 |
| Operational | Deposit | - | 41,911 | 41,911 |
| Operational | Savings | 29,574,950 | - | 29,574,950 |
| Operational | Cash Management | 22,435,954 | - | 22,435,954 |
| Operational | Money Market | 16,384,717 | - | 16,384,717 |
| Operational | Money Market | 2,297 | - | 2,297 |
| Wells Fargo Advisors | | | | |
| Operational | Money Market | 13 | - | 13 |
| Western Commerce Bank of Carlsbad | | | | |
| Operational | Checking | 38,590 | (148) | 38,442 |
| Operational | Deposit | 11,742 | 1,174 | 12,916 |
| Cash on Hand | | | | |
| Cash on Hand | Cash | - | 65,621 | 65,621 |
| Federated Investment Manager | | | | |
| Dividend Reinvestment | Money Market | 3,066,845 | - | 3,066,845 |
| Total Cash and Cash Equivalents | | <u>\$ 76,863,277</u> | <u>\$ (3,004,563)</u> | <u>\$ 73,858,714</u> |

The following table provides information on the University's investments, including reconciling items, at June 30, 2014.

| Account | Type of Account | Financial Institution Balance | Reconciling Items | Book Balance |
|---|-----------------|-------------------------------|-------------------|-----------------------|
| FTN Financial | | | | |
| U.S. Agency Securities | Investment | \$ 28,951,970 | \$ - | \$ 28,951,970 |
| Wells Fargo Advisors | | | | |
| Corporate Stocks and Bonds | Investment | 147,533 | - | 147,533 |
| Raymond James | | | | |
| U.S. Agency Securities | Investment | 15,894,700 | - | 15,894,700 |
| Wells Fargo | | | | |
| Certificate of Deposit | Investment | 5,750,000 | - | 5,750,000 |
| Wells Fargo | | | | |
| Municipal Securities | Investment | 2,130,291 | - | 2,130,291 |
| Wells Fargo | | | | |
| U.S. Agency Securities | Investment | 31,010,975 | - | 31,010,975 |
| Forensic Testing and Laboratory | | | | |
| Corporate Stocks and Bonds | Investment | 57,427 | - | 57,427 |
| Eberhardt Memorial | | | | |
| Corporate Stocks and Bonds | Investment | 7,825 | - | 7,825 |
| Principal Funds | | | | |
| Corporate Stocks and Bonds | Investment | 161,280 | - | 161,280 |
| Franklin Templeton | | | | |
| Corporate Stocks and Bonds | Investment | 40,331 | - | 40,331 |
| Citizen's Bank of Las Cruces | | | | |
| Certificate of Deposit | Investment | 31,100 | - | 31,100 |
| Legacy Treasury Direct | | | | |
| U.S. Agency Securities | Investment | 64,770 | - | 64,770 |
| New Mexico State Investment Council | | | | |
| Permanent Land Fund | Investment | 64,426,433 | - | 64,426,433 |
| New Mexico State University Foundation, Inc. | | | | |
| NMSU Endowments | Investment | 45,229,754 | - | 45,229,754 |
| Total investments | | <u>\$ 193,904,389</u> | <u>\$ -</u> | <u>\$ 193,904,389</u> |

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2014, is provided below:

| Account | Type of Account | Financial Institution Balance | Reconciling Items | Book Balance |
|--|------------------------|-------------------------------|---------------------|-----------------------|
| Wells Fargo Bank of New Mexico: | | | | |
| Operations | Checking | \$122,321 | \$ (31,507) | \$ 90,814 |
| Program | ACH | 508,210 | - | 508,210 |
| Program | Checking | 2,204,318 | 23,396 | 2,227,714 |
| Program | Transfer | 5,056,595 | - | 5,056,595 |
| Program | Wire | 220,005 | - | 220,005 |
| Operations – NMSU Sports Enterprises, Inc. | Checking | 80,784 | (54,007) | 26,777 |
| Citizens Bank of Las Cruces: | | | | |
| Program | Certificate of Deposit | 100,000 | - | 100,000 |
| Merrill Lynch: | | | | |
| Operations | Checking | 2 | - | 2 |
| Operations | Money Market | 121,573 | (50,000) | 71,573 |
| Program | Checking | 4,974 | - | 4,974 |
| Program | Money Market | 1,862,985 | - | 1,862,985 |
| Program-Cash Gift Annuity | Checking & MM | 16,768 | (10,777) | 5,991 |
| Program-Private Equity | Checking & MM | 131,858 | - | 131,858 |
| Hedge Access | Money Market | 22,374 | - | 22,374 |
| Eagle | Money Market | 168,310 | - | 168,310 |
| McDonnell | Money Market | 1,355,959 | - | 1,355,959 |
| Global Templeton | Money Market | 1 | - | 1 |
| Earnest | Money Market | 163,919 | - | 163,919 |
| NWQ | Money Market | 341,154 | - | 341,154 |
| Fred Alger | Money Market | 185,342 | - | 185,342 |
| Managed Futures | Money Market | 53,116 | - | 53,116 |
| Invesco REITS | Money Market | 106,524 | - | 106,524 |
| Short Term Investment Fund | Money Market | 9,331 | - | 9,331 |
| NFJ International | Money Market | 366,205 | - | 366,205 |
| UMA Eagle | Money Market | 77,078 | - | 77,078 |
| WHV International | Money Market | 272,803 | - | 272,803 |
| Title V | Money Market | 47,043 | - | 47,043 |
| Winslow | Money Market | 71,989 | - | 71,989 |
| London | Money Market | 290,264 | - | 290,264 |
| Loomis | | 51,948 | - | 51,948 |
| NMSU Business College | Money Market | 332 | - | 332 |
| Less Cash Allocated to NMSU for AHIT | Held in Trust | (3,780,013) | - | (3,780,013) |
| Total Cash and Cash Equivalents | | <u>\$ 10,234,072</u> | <u>\$ (122,895)</u> | <u>\$ 10,111,177</u> |
| Investments - Merrill Lynch: | | | | |
| Corporate Stocks and Bonds | Investment | \$ 52,309,368 | \$ - | \$ 52,309,368 |
| U.S. Government and Agency Securities | Investment | 11,327,170 | - | 11,327,170 |
| Mortgage-backed Securities | Investment | 14,563,660 | - | 14,563,660 |
| Limited Partnerships | Investment | 31,977,120 | - | 31,977,120 |
| Mutual Funds | Investment | 3,409,129 | - | 3,409,129 |
| Other Investments | | | | |
| Real Estate Holdings | Investment | 609,880 | - | 609,880 |
| Short-term Investments | Investment | 2,440,868 | - | 2,440,868 |
| Accrued Investment Interest | Investment | 89,164 | - | 89,164 |
| Total Investments | | <u>\$ 116,726,359</u> | <u>\$ -</u> | <u>\$ 116,726,359</u> |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the University's investment policy, investment maturities are scheduled to coincide with the University's projected cash requirements. The University does not commit any discretionary funds to financial instruments with maturities longer than ten years from the date of purchase. Funds are only committed to maturities longer than five years from date of purchase if directly related to a specific capital or other long-term project. The maturity dates on non-discretionary fund investments do not exceed the final maturity dates established within the funds' restrictive purposes. At least 50% of all cash and investment balances are invested in instruments with maturities less than two years.

A summary of the investments at June 30, 2014, and their exposure to interest rate risk based on the length of the investment follows:

| | Fair Value | Less than 1 Year | 1 - 5 Years | 6 - 10 Years | Greater than 10 Years |
|---|-----------------------|---------------------|-----------------------|---------------------|--------------------------|
| University | | | | | |
| Agency Securities | \$ 63,009,250 | | \$ 63,009,250 | \$ - | \$ - |
| Agency Securities | 12,913,165 | | 12,913,165 | - | - |
| Municipal Securities | 2,130,291 | 825,000 | 1,305,291 | - | - |
| Permanent Land Fund | 64,426,433 | | 64,426,433 | - | - |
| Pooled Cash and Investments | | | | | |
| Held by others | 45,229,754 | | 45,229,754 | - | - |
| Items not subject to interest rate risk: | | | | | |
| Certificates of Deposits | 3,281,100 | \$ 3,281,100 | | - | - |
| Certificates of Deposits | 2,500,000 | | 2,500,000 | - | - |
| Corporate Stocks | 414,396 | 414,396 | | - | - |
| Total investments | <u>\$ 193,904,389</u> | <u>\$ 4,520,496</u> | <u>\$ 189,383,893</u> | <u>\$ -</u> | <u>\$ -</u> |
| Foundation | | | | | |
| U.S. government and agency securities | \$ 11,327,170 | \$ 209,380 | \$ 6,014,077 | \$ 5,076,713 | \$ - |
| Certificates of deposits | 2,048,105 | 2,048,105 | - | - | - |
| Items not subject to interest rate risk: | | | | | |
| Corporate and foreign stocks | 55,718,497 | - | 55,718,497 | - | - |
| Alternative investments | 31,977,120 | - | 31,977,120 | - | - |
| Mortgage-backed securities | 14,563,660 | - | 14,563,660 | - | - |
| Other investments | 1,091,807 | - | 1,091,807 | - | - |
| Total investments | <u>\$ 116,726,359</u> | <u>\$ 2,257,485</u> | <u>\$ 109,365,161</u> | <u>\$ 5,076,713</u> | <u>\$ -</u> |

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy limits investment in money market instruments and other securities of commercial banks, broker-dealers, or recognized financial institutions to those rated in the highest rating category by a nationally recognized statistical rating organization (NRSRO) or which are guaranteed by a person or entity whose long-term debt obligations are rated in the highest rating category by a NRSRO. This includes without limitation, securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the provisions of 15 USC Sections 80(a)-1 et. seq., which invest only in obligations of the government of the United States of America or securities that are secured by obligations of the government of the United States of America.

A summary of the investments at June 30, 2014, and their exposure to credit risk follows:

| | Rating | Fair Value |
|---|-------------------|------------------------------|
| University | | |
| US Agency Securities | Moody's - AA+/Aaa | \$ 75,922,415 |
| Municipal Securities | | 2,130,291 |
| Certificates of Deposits | Federally Insured | 5,781,100 |
| US Government Securities | | |
| Corporate Stocks | Not Rated | 414,396 |
| Pooled cash and investments held by others | N/A | <u>109,656,187</u> |
| Total investments | | <u><u>\$ 193,904,389</u></u> |
| Foundation | | |
| U.S. government and agency securities | Moody's---Aaa | \$ 3,948,677 |
| Certificates of deposits | Federally insured | 2,048,105 |
| Corporate bonds | A1 | 939,389 |
| Corporate bonds | A2 | 975,421 |
| Corporate bonds | A3 | 984,115 |
| Corporate bonds | AA1 | 253,083 |
| Corporate bonds | AA2 | 166,962 |
| Corporate bonds | AA3 | 286,982 |
| Corporate bonds | BAA1 | 729,757 |
| Corporate bonds | BAA2 | 620,714 |
| Corporate bonds | BAA3 | 83,340 |
| Corporate bonds | BAA2 | 169,822 |
| Corporate bonds | Not rated | 38,619,814 |
| Corporate stocks | Not rated | 2,168,906 |
| Mutual funds | Not rated | 3,409,129 |
| Foreign stocks | Not rated | 13,689,556 |
| Mortgage-backed securities | AAA+ | 14,563,660 |
| Alternative investments | Not rated | 31,977,120 |
| Other investments (real estate and accrued investment interest) | N/A | <u>1,091,807</u> |
| Total investments | | <u><u>\$ 116,726,359</u></u> |

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributable to the magnitude of an entity's investment in a single issuer. The University diversifies its use of investment instruments to avoid incurring unreasonable risk inherent in over-investing in specific instruments, individual financial institutions or maturities. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio is invested in a single security type or with a single financial institution or at a single maturity. The University holds no investments with any issuer that represents 5% or more of total investments.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the University's deposits may not be returned. Neither the University, nor its discretely presented component unit, the Foundation, has a deposit policy for custodial credit risk. As of June 30, 2014 and 2013, total bank balances of the University were \$63,190,505 and \$79,230,430, respectively. A portion of the balances were subject to custodial credit risk in Category 2, uninsured and collateralized with securities held by the pledging financial institution, and there were no balances subject to custodial credit risk in Category 3, uninsured and uncollateralized. The detail in Category 2 is displayed as follows:

| | June 30, 2014 | June 30, 2013 |
|------------|---------------|---------------|
| Category 2 | \$ 56,800,838 | \$ 73,306,912 |

Custodial Credit Risk – Investments. This is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2014 and 2013, the University's certificate of deposit balances were \$5,781,100 and \$5,281,100, respectively. There were no investment balances that were subject to custodial credit risk in Category 1, uninsured, not registered in the name of the University and held by the counterparty, and Category 2, uninsured, not registered in the name of the University and are held by the counterparty's trust department or agent, but not in the University's name.

Note 4 – Accounts Receivable and Unearned Revenue

Accounts receivable consists of the following at June 30, 2014 and 2013:

| | 2014 | 2013 |
|--|----------------------|----------------------|
| University | | |
| Student tuition and fees | \$ 39,601,143 | \$ 36,252,438 |
| Federal, state, and private grants and contracts | 35,302,872 | 34,740,876 |
| Other | 5,782,310 | 9,992,542 |
| Due from Component Unit | 2,114,525 | 2,992,009 |
| Less: allowance for doubtful accounts | <u>(27,265,994)</u> | <u>(24,857,599)</u> |
| Net accounts receivable | <u>\$ 55,534,856</u> | <u>\$ 59,120,266</u> |
| Foundation | | |
| Net miscellaneous accounts receivable | <u>\$ 1,179,385</u> | <u>\$ 1,061,665</u> |

The allowance for doubtful accounts includes consideration for the credit risk associated with the various receivables.

Unearned revenue consists of the following at June 30, 2014 and 2013:

| | 2014 | 2013 |
|--|----------------------|----------------------|
| University | | |
| Student tuition and fees | \$ 1,021,387 | \$ 5,797,583 |
| Federal, state, and private grants and contracts | 9,751,101 | 12,377,391 |
| Other | 198,871 | 2,320,586 |
| Total unearned revenue | <u>\$ 10,971,359</u> | <u>\$ 20,495,560</u> |

Note 5 – Capital Assets

Capital assets as detailed below are stated at cost, or if contributed, at fair market value at the date of gift. Net interest expense incurred during the construction period on revenue bond funded projects is capitalized as an asset.

The University's main campus has New Mexico State District Court endorsed water rights equaling 11,454 acre feet per annum. As there is no clear guidance from the GASB on their presentation, neither the water rights nor the livestock bred by the University are presented in the accompanying Statement of Net Position.

The State of New Mexico Land Office holds 193,272 surface and 254,627 sub-surface acres in trust for the University and manages the commercial use of this property including various leases and oil and gas exploration. The value of the land is recorded at the State of New Mexico Land Office; therefore this amount is not presented in the accompanying Statement of Net Position.

The University, in compliance with the reporting requirements of GASB 49, *Accounting for Pollution Remediation Obligations*, incurred actual expenditures related to asbestos remediation in the amount of \$321,653 and \$170,504 for fiscal years 2014 and 2013, respectively.

Changes in capital asset balances for the year ended June 30, 2014, were as follows

| | Balance July 1 2013 | Additions | Transfers | Retirements | Balance June 30 2014 |
|--|---------------------------|------------------------|-----------------------|-----------------------|----------------------------|
| University | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 10,696,079 | \$ - | \$ - | \$ - | \$ 10,696,079 |
| Construction in progress | 8,388,328 | 25,991,380 | (8,932,671) | (54,394) | 25,392,643 |
| Total capital assets not being depreciated | <u>\$ 19,084,407</u> | <u>\$ 25,991,380</u> | <u>\$ (8,932,671)</u> | <u>\$ (54,394)</u> | <u>\$ 36,088,722</u> |
| Other capital assets: | | | | | |
| Buildings | \$670,834,320 | \$ 1,931,970 | \$ 5,296,041 | \$ (868,135) | \$ 677,194,196 |
| Infrastructure | 67,984,395 | 2,877,481 | 3,636,630 | - | 74,498,506 |
| Equipment | 119,960,339 | 8,588,672 | - | (5,833,057) | 122,715,954 |
| Software | 14,883,289 | 1,717,413 | - | (289,715) | 16,310,987 |
| Library books | 73,390,141 | 3,159,280 | - | (151,444) | 76,397,977 |
| Total other capital assets | <u>947,052,484</u> | <u>18,274,816</u> | <u>8,932,671</u> | <u>(7,142,351)</u> | <u>967,117,620</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (292,226,514) | (18,452,665) | - | 31,886 | (310,647,293) |
| Infrastructure | (37,477,395) | (2,632,195) | - | - | (40,109,590) |
| Equipment | (90,534,652) | (7,252,487) | - | 5,482,652 | (92,304,487) |
| Software | (10,079,165) | (1,431,304) | - | 102,257 | (11,408,212) |
| Library books | (51,836,820) | (2,811,677) | - | 151,444 | (54,497,053) |
| Total accumulated depreciation | <u>(482,154,546)</u> | <u>(32,580,328)</u> | <u>-</u> | <u>5,768,239</u> | <u>(508,966,635)</u> |
| Other capital assets, net | <u>\$464,897,938</u> | <u>\$ (14,305,512)</u> | <u>\$ 8,932,671</u> | <u>\$ (1,374,112)</u> | <u>\$ 458,150,985</u> |
| Capital asset summary: | | | | | |
| Capital assets not being depreciated | \$ 19,084,407 | \$ 25,991,380 | \$ (8,932,671) | \$ (54,394) | \$ 36,088,722 |
| Other capital assets, at cost | <u>947,052,484</u> | <u>18,274,816</u> | <u>8,932,671</u> | <u>(7,142,351)</u> | <u>967,117,620</u> |
| Total cost of capital assets | 966,136,891 | 44,266,196 | - | (7,196,745) | 1,003,206,342 |
| Less: accumulated depreciation | (482,154,546) | (32,580,328) | - | 5,768,239 | (508,966,635) |
| Capital assets, net | <u>\$483,982,345</u> | <u>\$ 11,685,868</u> | <u>\$ -</u> | <u>\$ (1,428,506)</u> | <u>\$ 494,239,707</u> |
| Foundation | | | | | |
| Capital assets | \$ 838,333 | \$ 44,837 | \$ - | \$ (120,845) | \$ 762,325 |
| Less: accumulated depreciation | (433,765) | (107,597) | - | 107,323 | (434,039) |
| Capital assets, net | <u>\$ 404,567</u> | <u>\$ (62,760)</u> | <u>\$ -</u> | <u>\$ (13,522)</u> | <u>\$ 328,286</u> |

Changes in capital asset balances for the year ended June 30, 2013, were as follows:

| | Balance July 1 2012 | Additions | Transfers | Retirements | Balance June 30 2013 |
|--|---------------------------|------------------------|------------------------|-----------------------|----------------------------|
| University | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 10,696,079 | \$ - | \$ - | \$ - | \$ 10,696,079 |
| Construction in progress | 42,627,197 | 24,939,115 | (58,923,190) | (254,794) | 8,388,328 |
| Total capital assets not being depreciated | <u>\$ 53,323,276</u> | <u>\$ 24,939,115</u> | <u>\$ (58,923,190)</u> | <u>\$ (254,794)</u> | <u>\$ 19,084,407</u> |
| Other capital assets: | | | | | |
| Buildings | \$612,489,364 | \$ 4,051,848 | \$ 55,976,552 | \$ (1,683,444) | \$670,834,320 |
| Infrastructure | 64,299,623 | 738,134 | 2,946,638 | - | 67,984,395 |
| Equipment | 119,208,047 | 6,297,632 | - | (5,545,340) | 119,960,339 |
| Software | 16,000,237 | 229,799 | - | (1,346,747) | 14,883,289 |
| Library books | 70,503,771 | 3,114,430 | - | (228,060) | 73,390,141 |
| Total other capital assets | <u>882,501,042</u> | <u>14,431,843</u> | <u>58,923,190</u> | <u>(8,803,591)</u> | <u>947,052,484</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (274,412,226) | (19,255,009) | - | 1,440,721 | (292,226,514) |
| Infrastructure | (34,152,794) | (3,324,601) | - | - | (37,477,395) |
| Equipment | (88,662,203) | (7,051,043) | - | 5,178,594 | (90,534,652) |
| Software | (9,933,282) | (1,224,530) | - | 1,078,647 | (10,079,165) |
| Library books | (49,316,551) | (2,748,329) | - | 228,060 | (51,836,820) |
| Total accumulated depreciation | <u>(456,477,056)</u> | <u>(33,603,512)</u> | <u>-</u> | <u>7,926,022</u> | <u>(482,154,546)</u> |
| Other capital assets, net | <u>\$426,023,986</u> | <u>\$ (19,171,669)</u> | <u>\$ 58,923,190</u> | <u>\$ (877,569)</u> | <u>\$464,897,938</u> |
| Capital asset summary: | | | | | |
| Capital assets not being depreciated | \$ 53,323,276 | \$ 24,939,115 | \$ (58,923,190) | \$ (254,794) | \$ 19,084,407 |
| Other capital assets, at cost | 882,501,042 | 14,431,843 | 58,923,190 | (8,803,591) | 947,052,484 |
| Total cost of capital assets | 935,824,318 | 39,370,958 | - | (9,058,385) | 966,136,891 |
| Less: accumulated depreciation | (456,477,056) | (33,603,512) | - | 7,926,022 | (482,154,546) |
| Capital assets, net | <u>\$479,347,262</u> | <u>\$ 5,767,446</u> | <u>\$ -</u> | <u>\$ (1,132,363)</u> | <u>\$483,982,345</u> |
| Foundation | | | | | |
| Capital assets | \$ 779,972 | \$ 100,899 | \$ (42,538) | \$ - | \$ 838,333 |
| Less: accumulated depreciation | (355,201) | (106,923) | 28,358 | - | (433,766) |
| Capital assets, net | <u>\$ 424,771</u> | <u>\$ (6,024)</u> | <u>\$ (14,180)</u> | <u>\$ -</u> | <u>\$ 404,567</u> |

The University had no significant asset impairments during the fiscal years ended June 30, 2014 and 2013.

Note 6 – Long-Term Liabilities

A summary of changes in long-term liabilities for the University and Discrete Component Unit for the year ended June 30, 2014, follows:

| | Balance July 1 2013 | Additions | Reductions | Balance June 30 2014 | Current Portion (due in 2015) | |
|------------------------------------|------------------------------------|----------------------|-----------------------|-------------------------------------|--|--|
| University | | | | | | |
| Bonds and contracts payable: | | | | | | |
| Revenue bonds payable | \$ 143,776,051 | \$ - | \$(10,396,978) | \$ 133,379,073 | \$ 8,625,000 | |
| Subordinate Revenue Note | - | 15,865,000 | - | 15,865,000 | - | |
| Contracts payable | 768,226 | 1,284,475 | (358,633) | 1,694,068 | 404,744 | |
| Total bonds and contracts | 144,544,277 | 17,149,475 | (10,755,611) | 150,938,141 | 9,029,744 | |
| Other liabilities: | | | | | | |
| Accrued compensated absences | 18,856,103 | 4,284,073 | (3,953,034) | 19,187,142 | 4,716,324 | |
| Other post employment benefits | 22,783,000 | 2,836,000 | - | 25,619,000 | - | |
| Other | 429,471 | 171,013 | - | 600,484 | - | |
| Total other liabilities | 42,068,574 | 7,291,086 | (3,953,034) | 45,406,626 | 4,716,324 | |
| Total long-term liabilities | \$ 186,612,851 | \$ 24,440,561 | \$(14,708,645) | \$ 196,344,767 | \$ 13,746,068 | |
| | Balance July 1 2013 | Additions | Reductions | Changes in Estimate | Balance June 30 2014 | Current Portion (due in 2015) |
| Foundation | | | | | | |
| Gift annuities payable | \$ 3,041,852 | \$ - | \$ (10,967) | \$ (323,841) | \$ 2,707,044 | \$ 163,687 |
| Payable under unitrusts | 206,068 | - | - | (20,066) | 186,002 | 29,525 |
| Total long-term liabilities | \$ 3,247,920 | \$ - | \$ (10,967) | \$ (343,907) | \$ 2,893,046 | \$ 193,212 |

A summary of changes in long-term liability for the University and Discrete Component Unit for the year ended June 30, 2013, follows:

| | Balance July 1 2012 | Additions | Reductions | Balance June 30 2013 | Current Portion (due in 2014) | |
|--------------------------------|------------------------------------|----------------------|-----------------------|-------------------------------------|--|--|
| University | | | | | | |
| Bonds and contracts payable: | | | | | | |
| Revenue bonds payable | \$135,286,184 | \$ 56,200,000 | \$(47,710,133) | \$143,776,051 | \$ 8,825,000 | |
| Contracts payable | 898,748 | 56,719 | (187,241) | 768,226 | 180,471 | |
| | <u>136,184,932</u> | <u>56,256,719</u> | <u>(47,897,374)</u> | <u>144,544,277</u> | <u>9,005,471</u> | |
| Total bonds and contracts | | | | | | |
| Other liabilities: | | | | | | |
| Accrued compensated absences | 18,494,933 | 6,490,018 | (6,128,848) | 18,856,103 | 3,771,221 | |
| Other post employment benefits | 20,277,000 | 2,506,000 | - | 22,783,000 | - | |
| Other | 521,537 | - | (92,066) | 429,471 | - | |
| | <u>39,293,470</u> | <u>8,996,018</u> | <u>(6,220,914)</u> | <u>42,068,574</u> | <u>3,771,221</u> | |
| Total other liabilities | | | | | | |
| | <u>\$175,478,402</u> | <u>\$ 65,252,737</u> | <u>\$(54,118,288)</u> | <u>\$186,612,851</u> | <u>\$ 12,776,692</u> | |
| Total long-term liabilities | | | | | | |
| | Balance July 1 2012 | Additions | Reductions | Changes in Estimate | Balance June 30 2013 | Current Portion (due in 2014) |
| Foundation | | | | | | |
| Gift annuities payable | \$ 3,099,186 | \$ - | \$ (4,372) | \$ (52,962) | \$ 3,041,852 | \$ 175,077 |
| Payable under unitrusts | 219,534 | - | - | (13,466) | 206,068 | 29,525 |
| | <u>\$ 3,318,720</u> | <u>\$ -</u> | <u>\$ (4,372)</u> | <u>\$ (66,428)</u> | <u>\$ 3,247,920</u> | <u>\$ 204,602</u> |
| Total long-term liabilities | | | | | | |

Bonds Payable. All outstanding University revenue bonds as of June 30, 2014 and 2013 were issued as parity bonds and are all tax-exempt, with the exception of the Series 2013C, Series 2010B, and Series 2010C bonds. All bonds are payable solely from, and secured by, a pledge of and a non-exclusive first lien on certain pledged revenues. The revenues pledged to meet these debt obligations are student tuition and fees, sales and services, other operating income, investment income, and building fees. Interest payments are made twice a year, on October 1 and April 1 while principal is paid on April 1 only. Allowable bond issuance costs, premiums, and discounts on bonds payable are recorded in total and amortized according to the bonds outstanding method, which approximates the effective interest method. Prepaid issuance costs, other than insurance, were fully expensed in accordance with GASB 65 as a prior period adjustment during FY2014.

The bond interest expense incurred for the fiscal years 2014 and 2013 was \$6,082,939 and \$5,450,285, respectively, net of interest income. Of these amounts, \$903,546 and \$3,315,998 was capitalized during fiscal years 2014 and 2013, respectively.

Total University issued bonds and outstanding at June 30, 2014 and 2013, excluding bonds issued by the Community College Districts, with bond proceeds to certain community colleges (See Note 13), consisted of:

| | Total Issued | Outstanding | |
|---|-----------------------|-----------------------|-----------------------|
| | | 2014 | 2013 |
| Improvement Revenue Bonds | | | |
| Bond Series 2004B, (2.00% - 5.00%) Final Maturity 2025 | 42,275,000 | - | 1,670,000 |
| Improvement Revenue Bonds | | | |
| Bond Series 2006, (4.00% - 5.25%) Final Maturity 2026 | 10,245,000 | 7,120,000 | 7,555,000 |
| Refunding and Improvement Revenue Bonds | | | |
| Bond Series 2010A, 2010B, 2010C, 2010D (1.89% - 5.27%) Final Maturity 2030 | 78,670,000 | 66,975,000 | 70,765,000 |
| Refunding and Improvement Revenue Bonds | | | |
| Bond Series 2013A, 2013B, 2013C (2.00% - 5.00%) Final Maturity 2033 | 56,200,000 | 53,270,000 | 56,200,000 |
| Total Bonds Payable | 187,390,000 | 127,365,000 | 136,190,000 |
| Plus: Unamortized Net Premium | 2,566,250 | 6,014,073 | 7,586,051 |
| Bonds Payable, net | <u>\$ 189,956,250</u> | <u>\$ 133,379,073</u> | <u>\$ 143,776,051</u> |

The maturity schedule for the University bonds payable at June 30, 2014, follows:

| Year Ending June 30 | Principal | Interest |
|------------------------|-----------------------|----------------------|
| 2015 | \$ 8,625,000 | \$ 6,093,519 |
| 2016 | 8,640,000 | 5,781,738 |
| 2017 | 7,915,000 | 5,455,058 |
| 2018 | 8,240,000 | 5,134,051 |
| 2019 | 8,440,000 | 4,786,720 |
| 2020-2024 | 45,420,000 | 17,574,249 |
| 2025-2029 | 31,055,000 | 7,016,163 |
| 2030-2035 | 9,030,000 | 662,985 |
| Total | <u>\$ 127,365,000</u> | <u>\$ 52,504,483</u> |

Notes Payable. The Board of Regents issued a tax-exempt Subordinate Lien Improvement Revenue Note, Series 2014 on April 21, 2014 in a direct purchase with BOKF, NA dba Bank of Albuquerque. The principal amount of the note is \$15,865,000 and the interest rate is 3.07%. The note proceeds are being used to design, implement, purchase, and install energy or water conservation measures, pursuant to a Guaranteed Utility Savings Contract entered into with Ameresco, Inc. The note is payable solely from, and secured by, a pledge of, and a non-exclusive subordinate lien on the following revenues: student tuition and fees; sales and service revenue; other operating revenue; investment income; and, building fees. Interest payments will commence on October 1, 2014 and semiannually thereafter on April 1 and October 1 each year. Principal payments are due April 1 each year, beginning April 1, 2016. The note matures April 1, 2028.

The maturity schedule for the subordinate revenue note at June 30, 2014, follows:

| Year Ending June 30 | Principal | Interest |
|------------------------|----------------------|---------------------|
| 2015 | \$ - | \$ 459,997 |
| 2016 | 2,120,000 | 487,056 |
| 2017 | 760,000 | 421,972 |
| 2018 | 820,000 | 398,640 |
| 2019 | 880,000 | 373,466 |
| 2020-2024 | 5,455,000 | 1,418,029 |
| 2025-2029 | 5,830,000 | 461,268 |
| Total | <u>\$ 15,865,000</u> | <u>\$ 4,020,428</u> |

Contracts Payable. The University acquires various types of equipment under capital lease agreements. All lease agreements contain a fiscal funding clause, which allows the lease agreements to be canceled if funding for future periods is not appropriated. University administration believes that the likelihood of this occurrence is remote. The following tables detail the carrying value of assets acquired under these arrangements, the future minimum lease payments, the portion of the lease payments representing interest, and the present value of the net minimum lease payments at June 30, 2014.

| Type of Property | Asset Carrying Value | Net Present Value of Minimum Lease Payments |
|--------------------|----------------------------|---|
| Office equipment | \$ 448,795 | \$ 173,300 |
| Computer Equipment | 1,976,407 | 1,520,768 |
| Total | <u>\$ 2,425,202</u> | <u>\$ 1,694,068</u> |

Future minimum payments required under capital leases and the net present values of the future payments are as follows:

| Year Ending June 30 | Principal | Interest | Minimum Payments |
|------------------------------|---------------------|-------------------|---------------------|
| 2015 | \$ 404,743 | \$ 44,258 | \$ 449,001 |
| 2016 | 395,933 | 30,571 | \$ 426,504 |
| 2017 | 369,232 | 18,939 | \$ 388,171 |
| 2018 | 361,900 | 8,502 | \$ 370,402 |
| 2019 | 162,260 | 603 | \$ 162,863 |
| Total minimum lease payments | <u>\$ 1,694,068</u> | <u>\$ 102,873</u> | <u>\$ 1,796,941</u> |

Note 7 – Health Insurance

The University provides group health insurance coverage for all regular employees working 20 hours per week or more. Coverage is optional and is available the first pay period after 30 days of employment. The University's portion of the premium is based on the employee's annual salary. Employee contributions are required for personal, as well as spouse, qualified domestic partner and dependent coverage. Beginning July 1, 2013, to prepare for compliance with the Health Care Reform act, the University created a new category of benefits-eligible employees, for those working $\frac{3}{4}$ of a full-time equivalent or more. The employees in this "term" employee category are eligible for the same optional benefit coverage as regular employees.

The University elected to participate in the State insurance program. Premiums are paid to the State of New Mexico. The State program assumes full responsibility for all claims.

Eligible retirees who were enrolled in health insurance for a minimum of ten consecutive years prior to retirement may elect to continue health insurance coverage through the University's program. The University contributes 60% of the premiums for retirees and their dependents until the retiree reaches age 70, after which, the University contributes 30%.

The University participates in a fully insured plan for the eligible active retirees. Premiums are paid to the insurance carrier. The insurance carrier assumes full responsibility for all claims.

Note 8 – Retirement Programs

The University offers three retirement plans. All eligible employees, working more than 25% full-time equivalent, are required to participate in one of the first two plans described below. Student employees do not participate in these plans.

A. Educational Retirement Act

Plan Description. Substantially all of the University's eligible employees, except those who participate in the Alternative Retirement Plan (ARP) described below, participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) of the State of New Mexico (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy. Member Contributions – Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the plan: 10.10% of their gross salary in fiscal year 2014; 10.70% of their gross salary in fiscal year 2015, 2016, and thereafter.

Employer contributions – In fiscal year 2014, the University was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.15% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, the University will contribute the following percentages of the gross covered salary of employees: 13.90% of gross covered salary in fiscal year 2015 and in fiscal year 2016.

The contribution requirements of plan members and the University are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The University's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$26,179,018, \$21,403,406, and \$17,903,881, respectively, which equal the amount of the required contributions for each fiscal year.

Return to Work Program. Effective January 1, 2002, the ERB implemented a retiree Return-To-Work (RTW) program whereby the University is required to make regular employer contributions on eligible retiree wages. As of July 1, 2011, House Bill 129 was passed requiring returning retirees to contribute the employee portion. Under the bill, retirees earning more than \$20,000 contributed 11.15% and the University contributed 9.15%. For retirees earning \$20,000 or less, the retiree contributed 7.9% and the University contributed 12.4%. As of July 1, 2012, the contribution required by retirees earning more than \$20,000 decreased to 9.40% and the University contribution increased to 10.90%. The contribution rates remain unchanged for employees earning \$20,000 or less. As of July 1, 2013, the contribution required by retirees earning more than \$20,000 increased to 10.10% and the University contribution increased to 13.15%. The contribution rates remain unchanged for employees earning \$20,000 or less, however, the University contribution increased to 13.15%. As of July 1, 2014, the contribution required by retirees earning more than \$20,000 will increase to 10.70% and the University contribution will increase to 13.90%. The contribution rates remain unchanged for employees earning \$20,000 or less, however, the University contribution will increase to 13.90%. The University's contribution to the ERB for RTW

program participants for the years ended June 30, 2014, 2013, and 2012 were \$217,851, \$197,884, and \$180,965, respectively, which equal the amount of the required contributions for each year.

B. Alternative Retirement Program

Plan Description. The New Mexico Alternative Retirement Program (ARP) was established by amendment to Chapter 22, Article 11, Section 47-52. Certain faculty and professional staff hired on or after July 1, 1991, may elect to participate in an alternative defined contribution retirement plan in lieu of participation in the ERA in accordance with policies stipulated by the Board of Regents. The two carriers approved by the ERB are the Teachers Insurance and Annuity Association/College Retirement Equities Fund and Fidelity Investments. Employees are allowed to transfer between carriers once each year.

Effective July 1, 2009, employees, after seven years of contribution to the ARP, have a one-time opportunity to move to the ERB's defined benefit plan. Senate Bill 572 allows members of the ARP the option to cash out or rollover the ARP account once they have left employment.

Contributions Required. Total payroll expenses covered by the ARP for the years ended June 30, 2014, 2013, and 2012 were \$27,583,886, \$26,374,496, and \$25,464,466, respectively. As of July 1, 2011, contributions for employees earning more than \$20,000 was 11.15% and the University's contribution to the carrier was 6.15%, with an additional 3.0% paid by the University to the ERB as an administrative fee. For employees earning \$20,000 or less, the required contribution was 7.9%, and the University was required to contribute 9.4% to the carrier and 3.0% to the ERB as an administrative fee. As of July 1, 2012, the contribution required by employees earning more than \$20,000 decreased to 9.40% and the University contribution increased to 7.9% to the carrier and 3.0% to ERB as an administrative fee. The contribution rates remain unchanged for employees earning \$20,000 or less. As of July 1, 2013, the contribution required by employees earning more than \$20,000 increased to 10.10% and the University contribution increased to 10.15% to the carrier. The contribution rates remain unchanged for employees earning \$20,000 or less, however, the University contribution increased to 10.15%. As of July 1, 2014 the contribution required by employees earning more than \$20,000 will increase to 10.70% and the University contribution will increase to 10.90%. The contribution rates remain unchanged for employees earning \$20,000 or less, however, the University contribution will increase to 10.90%. The administrative fee to ERB will remain the same at 3.0%. The 3.0% fee does not provide retirement benefits. Benefits are determined strictly by contributions made and earnings on contributions.

Vesting is immediate and benefits may be distributed as an annuity, a rollover or a withdrawal. The University's contributions for the years ended June 30, 2014, 2013, and 2012, were \$2,798,528, \$2,084,651, and \$1,570,485, respectively, for employees participating in the ARP. Additionally, \$827,516, \$791,234, and \$763,935, were paid as administrative fees to the ERB for the years ended June 30, 2014, 2013, and 2012, respectively; employees participating in the ARP made contributions totaling \$2,784,292, \$2,480,186, and \$2,847,707, respectively, for the same periods.

C. Federal Retirement Program

Plan Description. Certain employees of the University working under the auspices of the United States Department of Agriculture (through various University sponsored extension programs) are covered under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), established with the passage of Public Law 99-335. Both are defined benefit retirement plans. FERS is a three-tiered retirement plan (covering substantially all Federal employees hired subsequent to December 31, 1986) combining Social Security benefits with a basic benefit plan and a thrift savings plan. Employees hired prior to 1984 do not participate in Social Security, but have the ability to transfer to FERS at their own discretion. The CSRS and FERS are administered by the U.S. Office of Personnel Management, Retirement Operations Center, P.O. Box 45, Boyers, Pennsylvania 16017.

Contributions Required. Employees covered by CSRS and FERS are considered federal employees, and as such, are obligated to contribute according to the guidelines of the federal government. For the years ended June 30, 2014 and 2013, there were 2 and 3 employees, respectively, enrolled under CSRS and 11 and 13 employees, respectively, under FERS. The University contributes 7.0% and employees contribute 7.0% under CSRS. The University contributes 11.7% and employees contribute 0.8% under FERS. For the fiscal years ended June 30, 2014, 2013, and 2012, the University contributed \$145,937, \$157,105, and \$178,944, respectively; employees contributed \$28,545, \$30,453, and \$48,872, respectively, under both plans.

Note 9 – Other Postemployment Benefits Plan

Plan Description. New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. The authority to establish and amend the benefit provisions rests with the Board of Regents.

Retirees, who have had 10 consecutive years of health insurance coverage with the University at the time of retirement, are offered the opportunity to participate in a fully-insured PPO medical plan, including prescription drugs. Medicare retirees (for retirees 65 years of age and over) are offered the opportunity to participate in a Medicare carve-out medical plan, including prescription drugs. Eligible retired employees may select a life insurance benefit up to \$10,000. All premiums for life insurance are paid by the retiree.

The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents until the retiree reaches age 70, at which time the University pays 30%. As of June 30, 2014 and 2013, there were 1,231 and 1,117 retirees who met the eligibility requirements for health insurance, respectively.

Funding Policy. The University does not use a trust fund to administer the financing and payment of benefits. The retired employees that elect to participate in post employment benefits are required to make contributions in the form of monthly premiums based on current rates established under the medical and life plans.

The University funds the plan on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits, and includes all expected claims and related expenses and is offset by retiree contributions. The pay-as-you-go expense for fiscal year 2014 was \$4,292,000, net of retiree contributions.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% annual discount rate, assuming the University funds the retirement benefit on a pay-as-you go basis. Currently, the plans are considered to be unfunded as there are no assets and retiree benefits are expected to be paid annually on a cash basis. The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis: medical and prescription benefits on a select basis at 9.0% for retirees 65 years of age and under and 8.0% for retirees over 65 years of age and on an ultimate basis at 5%. The select trend rates are reduced .5% each year until reaching the ultimate trend. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable

period of 30 years and is calculated assuming a level percentage of projected payrolls. Payroll is projected to increase 3.5% per year.

Annual OPEB Cost and Net OPEB Obligation. The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation:

| | 2014 |
|--|-----------------------------|
| Annual required contribution | \$ 6,973,000 |
| Interest on net OPEB Obligation | 1,025,000 |
| Adjustment to annual required contribution | (870,000) |
| Annual OPEB cost (expense) | <u>7,128,000</u> |
| Contributions made | <u>(4,292,000)</u> |
| Increase in net OPEB obligation | <u>2,836,000</u> |
| Net OPEB obligation beginning of year | <u>22,783,000</u> |
| Net OPEB obligation end of year | <u><u>\$ 25,619,000</u></u> |

Annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the OPEB obligation for fiscal year 2014 is as follows:

| | |
|-----------------------------------|----------------------------|
| Annual required contribution | \$ 6,973,000 |
| % of annual OPEB cost contributed | 61.6% |
| Net OPEB obligation | <u><u>\$ 4,292,000</u></u> |

Funded Status and Funding Progress. As of July 1, 2013, the updated actuarial valuation date, the present value of all future expected post-retirement health payments and administrative costs attributable to past service, was \$88,830,000, and the actuarial value of assets was zero. The covered payroll (annual payroll of active employees covered by the plan) was \$261,203,492, and the ratio of the UAAL (Unfunded Actuarial Accrued Liability) to the covered payroll was 34%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress and Employee Contributions (Schedule 5), presented as required supplementary information following the notes to the financial statements,

presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 10 – Commitments

Capitalizable Project Commitments and Financing. The University has entered into contracts for the construction and renovation of various facilities. At June 30, 2014, the estimated remaining costs to complete these and other in-house construction and renovation projects was approximately \$121.5 million. These projects are in various stages of completion. Those deemed to be major projects will be completed by July 2015. The remaining cost of all budgeted projects (both capital and non-capital) will be financed as follows:

| Funding Sources | Amount |
|-----------------------------|----------------------|
| Revenue bonds | \$ 30,992,488 |
| General obligation bonds | 24,107,917 |
| Severance tax bonds | 8,255,321 |
| University funds | 19,147,372 |
| State funds | 8,675,278 |
| Gifts, grants and contracts | 5,580,384 |
| Total | <u>\$ 96,758,760</u> |

Operating Leases. The University is obligated under certain lease (rental) agreements which are accounted for as operating leases. The items being leased are primarily office and storage facilities and office equipment. Incorporated into each lease agreement is a fiscal funding clause which allows the University to cancel the operating lease if funding for future periods is not appropriated. As with contracts payable, University administration considers the likelihood of such an occurrence to be remote.

Future minimum rental payments required under operating leases are as follows:

| Year Ending June 30 | Minimum Payments |
|------------------------------|---------------------|
| 2015 | \$ 1,669,361 |
| 2016 | 1,343,221 |
| 2017 | 1,191,645 |
| 2018 | 945,865 |
| 2019 | 884,021 |
| Years thereafter | 525,381 |
| Total minimum lease payments | <u>\$ 6,559,494</u> |

Operating lease payments made in fiscal years 2014 and 2013 are as follows:

| | 2014 | 2013 |
|----------------------|---------------------|---------------------|
| Minimum rentals | \$ 1,858,909 | \$ 1,786,052 |
| Contingent rentals | <u>162,245</u> | <u>163,526</u> |
| Total lease payments | <u>\$ 2,021,154</u> | <u>\$ 1,949,578</u> |

Contingent rentals are determined based on usage clauses in certain contracts.

Other Commitments. At June 30, 2014, the University had outstanding purchase orders for materials and services which were not received, and thus are not recorded as liabilities in the accompanying Statement of Net Position. The approximate amount of such commitments is \$18 million.

Note 11 – Component Units

The following entities support the University in accomplishing its various missions. These entities were selected for inclusion based on criteria as set forth in GASB 14, *The Reporting Entity*, GASB 39, *Determining Whether Certain Organizations Are Component Units*, and GASB 61, *Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. Complete financial statements for these component units can be obtained from each respective administrative office at the addresses listed below.

The Foundation is discretely presented on the face of the financial statements, as prescribed by GASB 14, amended by GASB 39, and further amended by GASB 61. The entity qualifies as discretely presented according to GASB 14, paragraph 40a, because of the nature and significance of its relationship with the University. This relationship meets the direct benefit, access to economic resources and significance of resources criteria. The other component unit is blended because the University either completely controls its activities or the entity provide services entirely, or almost entirely to the University.

The New Mexico State University Foundation, Inc. The Foundation is a non-profit corporation formed for the purpose of obtaining and disbursing funds for the sole benefit of the University. It is a discrete component unit of the University with financial information presented in a separate column in the University's financial statements. Separate audited financial statements are prepared in accordance with the Financial Accounting Standards Board (FASB). The Foundation's address is: New Mexico State University Foundation, Inc., P.O. Box 3590, Las Cruces, NM 88003.

Arrowhead Center, Inc. Arrowhead Center, Inc., a blended component unit, was organized pursuant to the provisions of the State of New Mexico University Research Park Act of 1989. Its purposes are to promote and contribute to economic development and protect, license, and market intellectual property developed by faculty, staff, and students of the University, as well as members of the community, in order to further research and economic development for the State of New Mexico. Arrowhead Center, Inc.'s address is: Arrowhead Center, Inc., MSC 3CR, P.O. Box 30001, Las Cruces, NM 88003.

Summary financial information as of June 30, 2014 and 2013, and for the fiscal years then ended follows:

| | 2014 | 2013 |
|------------------------------------|---------------------|---------------------|
| Net Position: | | |
| Total assets | \$ 1,088,022 | \$ 1,566,375 |
| Total liabilities | 38,638 | 7,298 |
| Total net position | <u>\$ 1,049,384</u> | <u>\$ 1,559,077</u> |
| Change in Net Position: | | |
| Total revenues and other additions | \$ 665,644 | \$ 1,398,115 |
| Total expenditures | <u>1,175,337</u> | <u>517,760</u> |
| Change in Net Position | (509,693) | 880,355 |
| Net position, beginning | <u>1,559,077</u> | <u>678,722</u> |
| Net position, ending | <u>\$ 1,049,384</u> | <u>\$ 1,559,077</u> |

Summary financial information as of June 30, 2014 and 2013, and for the fiscal years then ended follows:

| | 2014 | 2013 |
|-------------------------------------|-----------------------------|-----------------------------|
| Assets: | | |
| Capital assets | \$ 328,286 | \$ 404,567 |
| Other assets | 176,612,936 | 160,892,531 |
| Total assets | <u>176,941,222</u> | <u>161,297,098</u> |
| Liabilities: | | |
| Long-term liabilities | 45,656,643 | 42,733,638 |
| Other liabilities | <u>5,436,467</u> | <u>6,780,776</u> |
| Total liabilities | 51,093,110 | 49,514,414 |
| Net Position: | | |
| Net investment in capital assets | 328,286 | 404,568 |
| Restricted for endowments | 78,130,947 | 74,049,562 |
| Restricted for general activities | 43,486,405 | 34,848,169 |
| Unrestricted | <u>3,902,474</u> | <u>2,480,385</u> |
| Total net position | <u>\$125,848,112</u> | <u>\$111,782,684</u> |
| Change in Net Position | | |
| Operating revenues | \$ 14,714,438 | \$ 14,565,795 |
| Depreciation | (107,597) | (106,923) |
| Other operating expense | (15,416,659) | (13,114,056) |
| Non-operating revenue (expense) | (43,080) | (158,472) |
| Gain (loss) on endowments | <u>14,918,326</u> | <u>9,957,768</u> |
| Increase (decrease) in net position | \$ 14,065,428 | \$ 11,144,112 |
| Net position, beginning | <u>111,782,684</u> | <u>100,638,572</u> |
| Net position, ending | <u>\$125,848,112</u> | <u>\$111,782,684</u> |

Note 12 – Contingent Liabilities

The University currently is a party to various litigation and other claims in the ordinary course of business. The University participates in the State of New Mexico Risk Management Program (Risk Management) which provides liability, medical malpractice, and physical damage insurance. The Risk Management program liability insurance coverage includes most employee liability claims (excluding awards for wages) other claims falling outside this State program are generally covered under the University's supplementary liability coverage. During the fiscal years ended June 30, 2014 and 2013, the University paid Risk Management \$4,950,997 and \$4,888,797 in insurance premiums, respectively. After conferring with legal counsel concerning pending litigation and claims, the University administration believes that the outcome of pending litigation should not have a material adverse effect on the financial position or operations of the University. These amounts are recorded as other accrued liabilities in the University's financial statements.

The University is involved in various stages of negotiations with state and federal agencies from one state audit and two self-reported occurrences of misstatement of program eligibility. Additionally, litigation has been filed against the University by eight former DACC Nursing Students. The details of these four situations are stated below.

- 1. TRIO Student Support Services.** As a result of self-reported findings of misstatement of eligible participants in the Student Support Services program (SSS) to the United States Department of Education (Department), the University was issued a Program Determination Letter dated February 25, 2009 requesting payment of the determined liability of \$1,044,163. Through subsequent discussions with the Department, the University was granted a payment extension in order to provide additional information and documentation in support of reducing the assessment. The information was delivered to the Department on July 20, 2009, with additional documentation provided on August 19, 2009. Based on the procedures performed, the University submitted revised overcharge calculations in the amounts of \$173,661 and \$476,932. The University believes a final assessment in the amount of \$476,932 is reasonable. Since the revised overcharge was submitted, the University has heard nothing from the Department and has no reason to doubt the reasonability of the final assessment estimate determined in the aforementioned year.
- 2. Department of Education.** As a result of a finding of misstatement of eligibility for non-degree programs to the United States Department of Education (Department), the University has been working closely with the Department staff performing an off-site program review to determine what liability exists. During the course of the program review, the Department identified ten programs that did not, at some point, meet eligibility requirements for paying federal student financial aid. Based on the procedures performed, the University believes a final assessment in the amount of \$747,884, net of student loans, is reasonable.
- 3. NM Department of Transportation.** The New Mexico Department of Transportation (DOT) issued a report on an ongoing audit on January 13, 2009. The report was issued to the University in July of 2009, with a letter assessing an original \$1,066,010 repayment to the agency. The University and the DOT have resolved \$242,515; however the payment of \$406,331 related to specific deliverables, which were determined by the DOT Research Bureau Chief as inadequate, are still in question by DOT. The total amount of the audit assessment as of July 2010, is \$1,229,825, the University agrees with \$54,882. Until the conclusion of the University's negotiations with the agency, the University is still unable to reasonably estimate a liability amount.

4. **Doña Ana Community College Nursing Students.** Litigation filed against the University which is based upon breach of contract and similar non-tort claims is not covered by the Risk Management Program. A lawsuit filed in May of 2013 asserts claims arising out of the loss of nursing accreditation at the Doña Ana Community College (DACC) on behalf of eight former DACC nursing students. The plaintiffs in that case are seeking to have the case certified as a class action on behalf of all students enrolled in the nursing program at the time of the loss of accreditation. While it is not probable that the plaintiffs' claims against the University will succeed, there is a reasonable possibility of an adverse outcome. Until a decision has been made by the court regarding certification of the class, an estimate of the loss or range of loss cannot be made.

Note 13 – Community College General Obligation Bonds

General Obligation bonds are issued by the Community College Districts for the purpose of supporting Community College facilities. The bonds are general obligations of the community college districts in which the Community Colleges reside and are payable solely out of general (ad valorem) taxes which are levied against all taxable property in each respective district. The Community College District's governing board is made up of school board members residing in each school district. Management of the University has determined the Community College Districts are not component units of the University.

Taxes collected by the respective district's tax assessor are deposited in bank accounts for the purpose of servicing the debt and are reflected as cash in the University's Statement of Net Position. At June 30, 2014 and 2013, the cash balances available to make the next semi-annual payments were \$856,336 and \$735,221, respectively for the Alamogordo Community College District, \$401,944 and \$753,696, respectively for the Carlsbad Community College District, and \$3,955,778 and \$3,548,673 respectively, for the Doña Ana Community College District.

The following table shows the future scheduled debt payments by the Community College Districts (due semi-annually in August and February):

| Alamogordo Community College | | | |
|---|----------------------|---------------------|----------------------|
| Year Ending June 30 | Principal | Interest | Total |
| 2015 | \$ 325,000 | \$ 132,829 | \$ 457,829 |
| 2016 | 340,000 | 120,572 | 460,572 |
| 2017 | 355,000 | 107,754 | 462,754 |
| 2018 | 370,000 | 94,253 | 464,253 |
| 2019 | 385,000 | 80,092 | 465,092 |
| 2020-2024 | 1,805,000 | 165,609 | 1,970,609 |
| Total | <u>\$ 3,580,000</u> | <u>\$ 701,109</u> | <u>\$ 4,281,109</u> |
| Carlsbad Community College | | | |
| Year Ending June 30 | Principal | Interest | Total |
| 2015 | \$ 300,000 | \$ 58,249 | \$ 358,249 |
| 2016 | 315,000 | 46,700 | 361,700 |
| 2017 | 325,000 | 33,900 | 358,900 |
| 2018 | 335,000 | 20,700 | 355,700 |
| 2019 | 350,000 | 7,000 | 357,000 |
| Total | <u>\$ 1,625,000</u> | <u>\$ 166,549</u> | <u>\$ 1,791,549</u> |
| Doña Ana Community College | | | |
| Year Ending June 30 | Principal | Interest | Total |
| 2015 | \$ 2,225,000 | \$ 462,508 | \$ 2,687,508 |
| 2016 | 1,915,000 | 395,812 | 2,310,812 |
| 2017 | 1,625,000 | 337,755 | 1,962,755 |
| 2018 | 1,620,000 | 281,133 | 1,901,133 |
| 2019 | 1,200,000 | 230,500 | 1,430,500 |
| 2020-2024 | 4,675,000 | 497,500 | 5,172,500 |
| 2025-2029 | 550,000 | 11,000 | 561,000 |
| Total | <u>\$ 13,810,000</u> | <u>\$ 2,216,208</u> | <u>\$ 16,026,208</u> |

Note 14 – Natural Classification Operating Expenses

The University's and Discrete Component Unit's operating expenses by natural classification were as follows:

| | 2014 | | 2013 | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | University | Component Unit | University | Component Unit |
| Operating Expenses | | | | |
| Salaries: | | | | |
| Faculty | \$ 95,946,451 | \$ - | \$ 91,427,779 | \$ - |
| Exempt staff | 114,469,449 | 1,951,124 | 114,015,085 | 1,573,861 |
| Non-exempt staff | 18,310,838 | - | 19,441,513 | - |
| Student/graduate assistant | 28,222,298 | 45,270 | 28,314,418 | 21,514 |
| Other compensation | 4,254,456 | 11,789 | 5,262,257 | 14,156 |
| Total salaries | <u>261,203,492</u> | <u>2,008,183</u> | <u>258,461,052</u> | <u>1,609,531</u> |
| Other Operating Expenses: | | | | |
| Benefits | 79,184,981 | - | 79,858,727 | - |
| Travel | 14,303,503 | 199,232 | 14,613,517 | 198,112 |
| Scholarship and fellowships and other program support | 43,486,963 | 11,446,212 | 49,860,714 | 10,065,564 |
| Utilities | 14,937,484 | 288 | 13,966,225 | 4,587 |
| Professional fees | 16,200,817 | 389,356 | 15,353,241 | 389,516 |
| Supplies and other services | 86,309,456 | 1,373,388 | 82,469,977 | 846,746 |
| Depreciation | 32,580,328 | 107,597 | 33,603,512 | 106,923 |
| Total operating expenses | <u>\$ 548,207,024</u> | <u>\$ 15,524,256</u> | <u>\$ 548,186,965</u> | <u>\$ 13,220,979</u> |

Note 15 – Subsequent Events

Aggie Development, Inc.- The University is in the process of establishing a corporation to benefit New Mexico State University by (1) enhancing the University's responsibilities to manage and develop designated University real estate and water rights in a reasonable manner and to maximize the University's return from the assets; (2) contributing all of the corporation's net revenues to the University; and (3) enhancing learning opportunities for students in this development activity. The corporation shall be operated exclusively for the benefit of and in support of the University, and organized and operated exclusively for exempt purposes under Section 501 (c)(3) of the Internal Revenue Code, as amended. It is expected that the corporation will be established during fiscal year 2014-2015.

Note 16 – New Accounting Standards

GASB Statement No. 65 (*Items Previously Reported as Assets and Liabilities*) became effective for the University in fiscal year 2014. The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows or inflows of resources. This provision is effective July 1, 2013 and resulted in a restatement of net position at June 30, 2013.

GASB Statement No. 66 (*Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*) became effective for the University as of fiscal year 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities. This statement does not apply to the University.

GASB Statement No. 67 (*Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*) will be effective for fiscal year 2014, for the Educational Retirement Board in the state of New Mexico. The objective of this Statement is to improve the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. This statement does not apply to the University.

GASB Statement No. 68 (*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*) will be effective for the University as of fiscal year 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The University has not concluded its assessment of the impact of this Statement.

GASB Statement No. 69 (*Government Combinations and Disposals of Government Operations*) will be effective for the University as of fiscal year 2015. The objective of this Statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The University has not concluded its assessment of the impact of this Statement.

GASB Statement No. 70 (*Accounting and Financial Reporting for Non-exchange Financial Guarantees*) became effective for the University as of fiscal year 2014. The objective of this Statement is to improve the recognition, measurement and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. This statement does not apply to the University.

GASB Statement No. 71 (*Pension Transition for Contributions Made Subsequent to the Measurement Date*) will be effective for the University as of fiscal year 2015. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The University has not concluded its assessment of the impact of this Statement.

Schedule 1 - Combining Statement of Net Position

| | New Mexico State University | | Arrowhead Center, Inc | | Total Primary Institution | |
|---|--------------------------------|----------------------|--------------------------|---------------------|------------------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 10,622,211 | \$ 30,729,600 | \$ 1,007,819 | \$ 536,642 | \$ 11,630,030 | \$ 31,266,242 |
| Cash and cash equivalents held in trust by Component Unit for NMSU | 2,272,945 | 2,245,069 | - | - | 2,272,945 | 2,245,069 |
| Short-term investments | 17,045,331 | 5,086,009 | - | - | 17,045,331 | 5,086,009 |
| Accounts receivable, net | 51,124,610 | 53,868,045 | 22,776 | 15,143 | 51,147,386 | 53,883,188 |
| Due from Component Unit | 2,114,525 | 2,992,009 | - | - | 2,114,525 | 2,992,009 |
| Inventories | 2,264,054 | 2,371,654 | - | - | 2,264,054 | 2,371,654 |
| Prepaid expenses | 2,807,736 | 2,533,326 | - | - | 2,807,736 | 2,533,326 |
| Student loans receivable - current portion, net | 1,449,006 | 1,400,810 | - | - | 1,449,006 | 1,400,810 |
| Total current assets | 89,700,418 | 101,226,522 | 1,030,595 | 551,785 | 90,731,013 | 101,778,307 |
| Non-current assets: | | | | | | |
| Restricted cash and cash equivalents | 62,228,684 | 63,075,076 | - | - | 62,228,684 | 63,075,076 |
| Investments held by others | 64,426,433 | 57,201,808 | - | - | 64,426,433 | 57,201,808 |
| Investments held in trust by Component Unit for NMSU | 42,956,809 | 39,690,320 | - | - | 42,956,809 | 39,690,320 |
| Other long-term investments | 67,145,444 | 55,235,464 | 57,427 | 1,014,590 | 67,202,871 | 56,250,054 |
| Student loans receivable, net | 13,041,054 | 12,607,289 | - | - | 13,041,054 | 12,607,289 |
| Prepaid expenses | 10,451 | 68,240 | - | - | 10,451 | 68,240 |
| Capital assets, net | 494,239,707 | 483,982,345 | - | - | 494,239,707 | 483,982,345 |
| Total non-current assets | 744,048,582 | 711,860,542 | 57,427 | 1,014,590 | 744,106,009 | 712,875,132 |
| TOTAL ASSETS | 833,749,000 | 813,087,064 | 1,088,022 | 1,566,375 | 834,837,022 | 814,653,439 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| | - | 23,983 | - | - | - | 23,983 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 9,154,871 | 9,369,326 | 38,588 | 5,781 | 9,193,459 | 9,375,107 |
| Other accrued liabilities | 23,935,981 | 21,475,049 | - | - | 23,935,981 | 21,475,049 |
| Unearned revenue | 10,971,309 | 20,494,043 | 50 | 1,517 | 10,971,359 | 20,495,560 |
| Accrued interest payable | 1,909,773 | 1,807,224 | - | - | 1,909,773 | 1,807,224 |
| Held in trust by NMSU | 619,643 | 1,377,601 | - | - | 619,643 | 1,377,601 |
| Long-term liabilities - current portion | 13,746,068 | 12,776,692 | - | - | 13,746,068 | 12,776,692 |
| Total current liabilities | 60,337,645 | 67,299,935 | 38,638 | 7,298 | 60,376,283 | 67,307,233 |
| Non-current liabilities: | | | | | | |
| Accrued benefit reserves | 661,600 | 678,630 | - | - | 661,600 | 678,630 |
| Other long-term liabilities | 182,598,699 | 173,251,159 | - | - | 182,598,699 | 173,251,159 |
| Total non-current liabilities | 183,260,299 | - | - | - | 183,260,299 | 173,929,789 |
| TOTAL LIABILITIES | 243,597,944 | 67,299,935 | 38,638 | 7,298 | 243,636,582 | 241,237,022 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| | 250,191 | - | - | - | 250,191 | - |
| NET POSITION | | | | | | |
| Invested in capital assets, net of related debt | 335,008,169 | 325,542,890 | - | - | 335,008,169 | 325,542,890 |
| Restricted for: | | | | | | |
| Non-expendable: | | | | | | |
| Endowments | 93,793,483 | 83,419,096 | - | - | 93,793,483 | 83,419,096 |
| Expendable: | | | | | | |
| General activities | 281,971 | 1,835,285 | - | - | 281,971 | 1,835,285 |
| Federal student loans | 17,173,149 | 17,012,171 | - | - | 17,173,149 | 17,012,171 |
| Capital projects | 8,219,413 | 11,444,743 | - | - | 8,219,413 | 11,444,743 |
| Related entity activities | - | - | 1,049,384 | 1,559,077 | 1,049,384 | 1,559,077 |
| Unrestricted | 135,424,680 | 132,042,138 | - | - | 135,424,680 | 132,042,138 |
| TOTAL NET POSITION | \$ 589,900,865 | \$571,296,323 | \$ 1,049,384 | \$ 1,559,077 | \$ 590,950,249 | \$572,855,400 |

Schedule 2 - Combining Statement of Revenues, Expenses, and Changes in Net Position

| | New Mexico State University | | Arrowhead Center, Inc. | | Total Primary Institution | |
|--|--------------------------------|----------------|---------------------------|--------------|------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| REVENUES | | | | | | |
| Operating revenues: | | | | | | |
| Student tuition and fees (gross) | \$ 113,342,683 | \$ 114,254,961 | \$ - | \$ - | \$ 113,342,683 | \$ 114,254,961 |
| Less: Scholarship allowances | (46,788,792) | (45,533,239) | - | - | (46,788,792) | (45,533,239) |
| Student tuition and fees (net) | 66,553,891 | 68,721,722 | - | - | 66,553,891 | 68,721,722 |
| Federal appropriations, grants and contracts | 157,349,263 | 168,576,851 | - | - | 157,349,263 | 168,576,851 |
| State grants and contracts | 31,875,977 | 31,029,311 | - | - | 31,875,977 | 31,029,311 |
| Local appropriations, grants and contracts | 14,532,986 | 13,295,396 | - | - | 14,532,986 | 13,295,396 |
| Non-governmental grants and contracts | 10,682,840 | 10,027,218 | - | - | 10,682,840 | 10,027,218 |
| Sales and services | 28,724,378 | 29,726,381 | - | - | 28,724,378 | 29,726,381 |
| Other operating revenues | 15,245,273 | 16,414,870 | - | - | 15,245,273 | 16,414,870 |
| Total operating revenues | 324,964,608 | 337,791,749 | - | - | 324,964,608 | 337,791,749 |
| EXPENSES | | | | | | |
| Operating expenses: | | | | | | |
| Instruction | 147,827,726 | 142,557,245 | - | - | 147,827,726 | 142,557,245 |
| Research | 107,812,478 | 113,062,993 | - | - | 107,812,478 | 113,062,993 |
| Public service | 43,404,876 | 42,560,765 | - | - | 43,404,876 | 42,560,765 |
| Academic support | 26,764,580 | 25,881,083 | - | - | 26,764,580 | 25,881,083 |
| Student services | 18,102,595 | 18,094,616 | - | - | 18,102,595 | 18,094,616 |
| Institutional support | 31,100,622 | 31,484,000 | - | - | 31,100,622 | 31,484,000 |
| Operation and maintenance of plant | 39,613,150 | 35,553,790 | - | - | 39,613,150 | 35,553,790 |
| Scholarships and fellowships | 38,912,214 | 44,216,920 | - | - | 38,912,214 | 44,216,920 |
| Auxiliary enterprises | 25,093,890 | 25,849,920 | - | - | 25,093,890 | 25,849,920 |
| Independent operations | 16,317,665 | 15,463,869 | - | - | 16,317,665 | 15,463,869 |
| Intercollegiate athletics | 16,726,036 | 15,512,117 | - | - | 16,726,036 | 15,512,117 |
| Student social and cultural | 3,901,094 | 3,852,034 | - | - | 3,901,094 | 3,852,034 |
| Loan administration | 49,770 | 494,101 | - | - | 49,770 | 494,101 |
| Depreciation | 32,580,328 | 33,603,512 | - | - | 32,580,328 | 33,603,512 |
| Other operating expense | - | - | - | - | - | - |
| Total operating expenses | 548,207,024 | 548,186,965 | - | - | 548,207,024 | 548,186,965 |
| Net operating income / (expense) | (223,242,416) | (210,395,216) | - | - | (223,242,416) | (210,395,216) |
| Non-operating revenues / (expenses): | | | | | | |
| State appropriations | 196,281,497 | 186,844,759 | - | - | 196,281,497 | 186,844,759 |
| Gifts and non-exchange grants | 6,896,381 | 7,381,193 | - | - | 6,896,381 | 7,381,193 |
| Investment income | 16,237,357 | 8,776,658 | - | 875,648 | 16,237,357 | 9,652,306 |
| Interest and other expenses on capital asset-related debt | (5,187,328) | (2,266,448) | - | - | (5,187,328) | (2,266,448) |
| Other non-operating revenues / (expenses) | 3,320,374 | 437,698 | (509,693) | 4,707 | 2,810,681 | 442,405 |
| Net non-operating revenues / (expenses) | 217,548,281 | 201,173,860 | (509,693) | 880,355 | 217,038,588 | 202,054,215 |
| Income before other revenues, expenses, gains or losses | (5,694,135) | (9,221,356) | (509,693) | 880,355 | (6,203,828) | (8,341,001) |
| Capital appropriations | 6,721,992 | 7,074,122 | - | - | 6,721,992 | 7,074,122 |
| Capital grants, gifts and other income | 12,475,187 | 3,560,709 | - | - | 12,475,187 | 3,560,709 |
| Building fees | 5,201,950 | 5,190,829 | - | - | 5,201,950 | 5,190,829 |
| Gain on sale of land | - | - | - | - | - | - |
| Loss on disposal of plant | (621,833) | (1,132,363) | - | - | (621,833) | (1,132,363) |
| Additions to permanent endowments | 521,381 | 929,207 | - | - | 521,381 | 929,207 |
| Increase / (decrease) in net position | \$ 18,604,542 | \$ 6,401,148 | \$ (509,693) | \$ 880,355 | \$ 18,094,849 | \$ 7,281,503 |
| NET POSITION | | | | | | |
| Beginning of year | 571,296,323 | 564,895,175 | 1,559,077 | 678,722 | 572,855,400 | 565,573,897 |
| End of year | \$ 589,900,865 | \$ 571,296,323 | \$ 1,049,384 | \$ 1,559,077 | \$ 590,950,249 | \$ 572,855,400 |

Schedule 3A - Budgetary Comparison Schedules - Unrestricted and Restricted - All Operations

| | Original Budget | Revised Budget | Actuals | Revised Budget vs Actuals - Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|----------------|---|
| Unrestricted and restricted beginning fund balance | \$ 110,185,861 | \$ 126,850,006 | \$ 125,839,871 | \$ (1,010,135) |
| Unrestricted and restricted revenues: | | | | |
| Tuition and fees income | 117,844,954 | 116,857,915 | 113,342,683 | (3,515,232) |
| Federal revenue sources | 180,416,238 | 179,472,072 | 157,195,198 | (22,276,874) |
| State government appropriations | 195,633,370 | 196,294,726 | 196,281,497 | (13,229) |
| Endowment and private gifts | 9,489,606 | 10,106,327 | 9,689,931 | (416,396) |
| Land and permanent fund | 2,550,100 | 3,000,000 | 2,893,865 | (106,135) |
| Other sources | 146,180,661 | 164,128,638 | 152,128,598 | (12,000,040) |
| Total unrestricted and restricted revenues | 652,114,929 | 669,859,678 | 631,531,772 | (38,327,906) |
| Unrestricted and restricted expenditures: | | | | |
| Instruction | \$153,550,770 | \$154,650,429 | \$147,719,702 | 6,930,727 |
| Academic support | 30,815,563 | 29,996,072 | 29,806,225 | 189,847 |
| Student services | 18,560,572 | 17,387,169 | 16,867,519 | 519,650 |
| Institutional support | 31,559,202 | 32,096,801 | 30,976,800 | 1,120,001 |
| Operation and maintenance | 29,093,733 | 27,388,367 | 27,080,751 | 307,616 |
| Subtotal instruction and general | 263,579,840 | 261,518,838 | 252,450,997 | 9,067,841 |
| Student social and cultural activities | 4,528,346 | 4,691,704 | 3,937,188 | 754,516 |
| Research | 130,541,318 | 131,111,621 | 121,807,901 | 9,303,720 |
| Public service | 46,914,328 | 48,560,057 | 45,549,077 | 3,010,980 |
| Internal services | 1,832,596 | 2,559,665 | 661,806 | 1,897,859 |
| Student aid, grants and stipends | 101,498,463 | 100,001,453 | 85,661,417 | 14,340,036 |
| Auxiliary services | 27,498,106 | 28,311,004 | 25,308,659 | 3,002,345 |
| Intercollegiate athletics | 16,935,040 | 19,327,269 | 17,703,608 | 1,623,661 |
| Independent operations | 16,944,359 | 17,485,687 | 16,144,364 | 1,341,323 |
| Capital outlay | 28,340,933 | 47,044,926 | 33,817,573 | 13,227,353 |
| Renewal and replacement | 25,336,244 | 18,604,473 | 11,403,095 | 7,201,378 |
| Retirement of indebtedness | 14,847,338 | 15,341,058 | 15,109,243 | 231,815 |
| Total unrestricted and restricted expenditures | 678,796,911 | 694,557,755 | 629,554,928 | 65,002,827 |
| Net transfers to (from) | - | - | - | - |
| Change in fund balance | (26,681,982) | (24,698,077) | 1,976,844 | 26,674,921 |
| Ending fund balance | \$ 83,503,879 | \$ 102,151,929 | \$ 127,816,715 | \$ 25,664,786 |

Under title 5 of the New Mexico Administrative Code, chapter 3, part 4, paragraph 10 - Items of Budgetary Control: The total expenditures in each of the following budgetary functions will be used as the items of budgetary control. Total expenditures or transfers in each of the following items of budgetary control may not exceed the amounts shown in the approved budget: A. Unrestricted expenditures and restricted expenditures. B. Instruction and general. C. Each budget function in current funds other than instruction and general. D. Within the plant funds budget: major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service. E. Each individual item of transfer between funds and/or functions.

Schedule 3B - Budgetary Comparison Schedules - Unrestricted - Instruction and General

| | Original Budget | Revised Budget | Actuals | Revised Budget vs Actuals - Variance Favorable (Unfavorable) |
|---|--------------------|-------------------|---------------|---|
| Unrestricted beginning fund balance | \$ 23,274,764 | \$ 28,623,223 | \$ 28,623,223 | \$ - |
| Unrestricted revenues: | | | | |
| Tuition and fees income | \$97,959,374 | \$96,648,900 | \$92,396,636 | (4,252,264) |
| Miscellaneous fees | 6,347,405 | 6,637,073 | 6,967,101 | 330,028 |
| Federal government appropriations | - | - | - | - |
| State government appropriations | 151,364,570 | 151,677,926 | 151,754,956 | 77,030 |
| Local government appropriations | 10,237,903 | 10,975,921 | 11,683,868 | 707,947 |
| Federal government grants and contracts | 181,400 | 136,500 | 164,672 | 28,172 |
| State government grants and contracts | - | - | - | - |
| Local government grants and contracts | - | - | - | - |
| Private gifts, grants and contracts | - | - | 25,300 | 25,300 |
| Endowments | - | - | - | - |
| Land and permanent fund | 2,550,100 | 3,000,000 | 2,893,865 | (106,135) |
| Private gifts | 10,000 | 10,000 | 108 | (9,892) |
| Sales and services | 386,600 | 389,300 | 297,229 | (92,071) |
| Other sources | 15,610,065 | 14,694,774 | 14,965,180 | 270,406 |
| Total unrestricted revenues | 284,647,417 | 284,170,394 | 281,148,915 | (3,021,479) |
| Unrestricted expenditures: | | | | |
| Instruction | \$139,097,370 | \$138,860,821 | \$132,684,816 | 6,176,005 |
| Academic support | 28,639,414 | 27,732,905 | 27,952,862 | (219,957) |
| Student services | 17,500,028 | 16,560,481 | 16,122,442 | 438,039 |
| Institutional support | 31,096,602 | 31,638,001 | 30,736,195 | 901,806 |
| Operation and maintenance | 29,063,057 | 27,359,091 | 27,060,786 | 298,305 |
| Total unrestricted expenditures | 245,396,471 | 242,151,299 | 234,557,101 | 7,594,198 |
| Net transfers to (from) | 39,487,298 | 46,715,939 | 44,879,284 | 1,836,655 |
| Change in fund balance | (236,352) | (4,696,844) | 1,712,530 | 6,409,374 |
| Ending fund balance | \$ 23,038,412 | \$ 23,926,379 | \$ 30,335,753 | \$ 6,409,374 |

Schedule 3C - Budgetary Comparison Schedules - Restricted - Instruction and General

| | Original Budget | Revised Budget | Actuals | Revised Budget vs Actuals - Variance Favorable (Unfavorable) |
|---|--------------------|-------------------|--------------|---|
| Restricted beginning fund balance | \$ - | \$ - | \$ - | \$ - |
| Restricted revenues: | | | | |
| Tuition and fees income | - | - | - | - |
| Miscellaneous fees | - | - | - | - |
| Federal government appropriations | - | - | - | - |
| State government appropriations | - | - | - | - |
| Local government appropriations | - | - | - | - |
| Federal government grants and contracts | 11,877,067 | 12,647,944 | 9,487,941 | (3,160,003) |
| State government grants and contracts | 2,334,747 | 2,391,247 | 2,082,509 | (308,738) |
| Local government grants and contracts | - | - | - | - |
| Private gifts, grants and contracts | 1,712,795 | 1,866,667 | 2,727,085 | 860,418 |
| Endowments | - | - | - | - |
| Land and permanent fund | - | - | - | - |
| Private gifts | 2,258,760 | 2,461,681 | 3,596,361 | 1,134,680 |
| Sales and services | - | - | - | - |
| Other sources | - | - | - | - |
| Total restricted revenues | 18,183,369 | 19,367,539 | 17,893,896 | (1,473,643) |
| Restricted expenditures: | | | | |
| Instruction | \$14,453,400 | \$15,789,608 | \$15,034,886 | 754,722 |
| Academic support | 2,176,149 | 2,263,167 | 1,853,363 | 409,804 |
| Student services | 1,060,544 | 826,688 | 745,077 | 81,611 |
| Institutional support | 462,600 | 458,800 | 240,605 | 218,195 |
| Operation and maintenance | 30,676 | 29,276 | 19,965 | 9,311 |
| Total restricted expenditures | 18,183,369 | 19,367,539 | 17,893,896 | 1,473,643 |
| Net transfers to (from) | - | - | - | - |
| Change in fund balance | - | - | - | - |
| Ending fund balance | \$ - | \$ - | \$ - | \$ - |

Schedule 3 - Budgetary Comparison Schedules - Combined Campuses

Reconciliation of Budget
 Unrestricted and Restricted - All Operations
 For the Year Ended June 30, 2014

| | | |
|--|-----------------|------------------------------|
| Total Unrestricted and Restricted Revenues: | | \$ 631,531,772 |
| Reconciling Items: | | |
| Scholarship allowance | \$ (46,788,792) | |
| Elimination of Internal Revenues | (18,326,815) | |
| Endowment fund revenues | 11,320,708 | |
| Arrowhead Center, Inc. revenues | 296,744 | |
| Loan Fund Additions | 211,247 | |
| Financial statement reporting adjustments | (3,165,064) | |
| Capitalization of interest | 903,546 | |
| Total reconciling items | | <u>(55,548,426)</u> |
| Total reconciled unrestricted and restricted revenues | | <u>\$ 575,983,346</u> |
| Basic Financial Statements | | |
| Operating revenues | | \$ 324,964,608 |
| Non-operating revenues | | 221,688,180 |
| Non-operating revenues netted in other non-operating revenues and expenses | | 4,410,047 |
| Other Revenues | | <u>24,920,511</u> |
| Total revenues per Financial Statements | | <u>\$ 575,983,346</u> |
| Difference | | <u>\$ -</u> |
| Total Unrestricted and Restricted Expenses: | | \$ 629,554,928 |
| Reconciling Items: | | |
| Scholarship allowance | \$ (46,788,792) | |
| Elimination of Internal Sales | (18,326,815) | |
| Arrowhead Center, Inc. expenditures | 806,437 | |
| Depreciation expense | 32,580,328 | |
| Loan fund expenditures | 50,269 | |
| Capitalized expenditures | (33,893,945) | |
| Bond principal payments | (8,775,000) | |
| Financial statement reporting adjustments | 1,933,490 | |
| Interest on Capital Assets adjustment | (903,546) | |
| Loss on disposal of plant | (621,833) | |
| Total reconciling items | | <u>(73,939,407)</u> |
| Total reconciled unrestricted and restricted expenses | | <u>\$ 555,615,521</u> |
| Basic Financial Statements | | |
| Operating expenditures | | \$ 548,207,024 |
| Non-operating expenditures | | 5,187,328 |
| Non-operating expenditures netted in other non-operating revenues and expenses | | 1,599,336 |
| Other expenditures | | <u>621,833</u> |
| Total Expenditures per Financial Statements | | <u>\$ 555,615,521</u> |
| Difference | | <u>\$ -</u> |

Schedule 4 - Bank Balances, Pledged Collateral Requirements and Pledged Collateral by Financial Institution

Page 1

| Account | Type of Security | CUSIP No./ Security # | Maturity Date | Fair Value of Collateral | Deposit Amount |
|---|------------------|-----------------------|---------------|--------------------------|----------------|
| CITIZEN'S BANK OF LAS CRUCES | | | | | |
| <i>Certificate of Deposit</i> <i>Endowment</i> | None | | | | \$ 31,104 |
| FIRST NATIONAL BANK OF ALAMOGORDO | | | | | |
| <i>Cash</i> | Mortgage-Backed | 31418BBB1 | 4/1/2024 | \$ 996,860 | \$ 932,212 |
| EAST TEXAS NATIONAL BANK - PALESTINE | | | | | |
| <i>Cash</i> | None | | | | \$ 31,788 |
| GRANTS STATE BANK | | | | | |
| <i>Cash</i> | None | | | | \$ 26,447 |
| WELLS FARGO BANK OF NEW MEXICO | | | | | |
| <i>Cash</i> | FNMA | 3138W1JA6 | 2/1/2043 | \$ 5,876,051 | |
| | FNMA | 3138X3XX5 | 9/1/2043 | \$ 76,777,468 | \$ 56,368,626 |
| | FNMA | 31417EKV2 | 1/1/2043 | \$ 1,635,950 | |
| WESTERN COMMERCE BANK, CARLSBAD | | | | | |
| <i>Cash</i> | GNMA | 876947 | 11/20/2029 | \$ 13,876 | \$ 50,332 |
| | GNMA | 80581 | 2/20/2032 | \$ 11,408 | |

Note: The Foundation is not subject to the State of New Mexico pledged collateral requirement.

Schedule 4 - Bank Balances, Pledged Collateral Requirements and Pledged Collateral by Financial Institution

Page 2

| Account | FDIC/SPIC Insurance | Uninsured Public Funds | By the pledging Federal Institution | 50% Collateral Requirement |
|---|------------------------|---------------------------|---|----------------------------------|
| CITIZEN'S BANK OF LAS CRUCES | | | | |
| <i>Certificate of Deposit</i> | | | | |
| <i>Endowment</i> | \$ 31,104 | \$ - | \$ - | \$ - |
| FIRST NATIONAL BANK OF ALAMOGORDO | | | | |
| <i>Cash</i> | \$ 250,000 | \$ 682,212 | \$ 996,860 | \$ 655,754 |
| EAST TEXAS NATIONAL BANK - PALESTINE | | | | |
| <i>Cash</i> | \$ 31,788 | \$ - | \$ - | \$ - |
| GRANTS STATE BANK | | | | |
| <i>Cash</i> | \$ 26,447 | \$ - | \$ - | \$ - |
| WELLS FARGO BANK OF NEW MEXICO | | | | |
| <i>Cash</i> | \$ 27,043,677 | \$ 29,324,949 | \$ 84,289,469 | \$ 69,626,995 |
| WESTERN COMMERCE BANK, CARLSBAD | | | | |
| <i>Cash</i> | \$ 50,332 | \$ - | \$ 25,284 | \$ 25,284 |

Schedule 5 - Schedule of Funding Progress and Employer Contributions

The Schedule of Funding Progress and the Schedule of Employer Contributions present multi-year trend information comparing the actuarial value of plan assets to the actuarial accrued liability, and the actual contributions of the University to the annual required contributions.

Schedule of Funding Progress

| <u>Fiscal Year Ending</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability (AAL)</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a % of Covered Payroll</u> |
|-------------------------------|--|--|--------------------------------|---------------------|----------------------------|---|
| 6/30/2014 | \$ - | \$ 88,830,000 | \$ 88,830,000 | 0% | \$263,625,191 | 34% |
| 6/30/2013 | \$ - | \$ 80,399,000 | \$ 80,399,000 | 0% | \$264,614,683 | 30% |
| 6/30/2012 | \$ - | \$ 77,650,000 | \$ 77,650,000 | 0% | \$259,361,365 | 30% |

Schedule of Employer Contributions

| <u>Fiscal Year Ending</u> | <u>Annual Required Contributions (ARC)</u> | <u>Actual Contributions</u> | <u>% Contributed</u> |
|-------------------------------|--|---------------------------------|----------------------|
| 6/30/2014 | \$ 6,973,000 | \$ 4,292,000 | 61.6% |
| 6/30/2013 | \$ 6,277,000 | \$ 3,910,000 | 62.3% |
| 6/30/2012 | \$ 6,034,000 | \$ 3,601,000 | 59.7% |

Summary of Key Actuarial Methods and Assumptions

| | |
|-------------------------------|---|
| Valuation year | July 1, 2013 to June 30, 2014 |
| Actuarial cost method | Unit Credit Actuarial Cost Method |
| Amortization method | 30 Years |
| Discount rate | 4.5% |
| Projected payroll growth rate | 3.5% |
| Health care cost trend rate | Medical and prescription benefits on a select basis at 9.0% pre 65, and 8.0% post 65. On the ultimate basis all ages are at 5%. The select trend rates are reduced .5% each year until reaching the ultimate trend. |

Schedule 6 – Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU)

1. The Regents of New Mexico State University and City of Las Cruces and the Department of Fish, Wildlife and Conservation Ecology at NMSU have entered into a Memorandum of Understanding concerning the Burrowing Owl Management Project. The dates of the project are February 2010 through December 2013. The funds available for this project are \$40,880. The total expenses for the current year's agreement are \$6,015. Each party accepts its own audit responsibility and reports its own expenses and revenues.
2. The Regents of New Mexico State University, the Regents of the New Mexico Institute of Mining and Technology and the State of New Mexico General Services Department Communications Division entered into a Memorandum of Understanding to cooperate, jointly manage and share telecommunications facilities namely, fiber optic infrastructure located between El Paso, Texas and Santa Fe, New Mexico, effective on September 1, 2005. The project establishes a foundation to create a self-provisioned statewide fiber optic network to be utilized by agencies and universities within the State of New Mexico. The agreement continues in effect until the termination of the University/FiberCo contract, which is September 30, 2025, or upon the parties' written agreement to terminate this agreement. The total estimated cost of the project is \$3,003,240. The total expenses for the current year's agreement are \$51,999. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
3. The Regents of New Mexico State University, New Mexico Department of Game and Fish, New Mexico Department of Agriculture, and the New Mexico Association of Conservation Services entered into a Memorandum of Understanding to provide funds for emergency water use for the primary purpose in providing temporary relief to wildlife due to severe drought conditions in the State of New Mexico. The agreement continues in effect until the end of the contract, which is June 30, 2014, or upon all parties' written agreement to terminate this agreement. The total funds available for this project are \$65,000. The total expenses for the current year's agreement are \$65,000. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
4. The Regents of New Mexico State University and the Administrative Office of the Courts (AOC) entered into a Memorandum of Understanding for the purpose of planning, facilitating, and implementing the Children's Law Institute under the State Court Improvement (CIP) initiatives for the Basic and Data Grant related to child abuse and neglect, foster care and adoption. The agreement continues in effect until the end of the contract, which is June 30, 2014, or upon all parties' written agreement to terminate this agreement. The total funds available for this project are \$30,800. The total expenses for the current year's agreement are \$22,567. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
5. The Regents of New Mexico State University and Casey Family Programs organized under the laws of the State of Washington (CFP) entered into a Memorandum of Understanding for the purpose of collaboration to share information and resources, engage in a variety of activities for their common purpose and mutual benefit of family court reforms to increase permanency by reducing foster care, and to work together as co-sponsors of the Annual Children's Law Institute Conference. The agreement continues in effect until the end of the contract, which is December 31, 2014, or upon all parties' written agreement to terminate this agreement. The total funds available for this project are \$15,000. The total expenses for the current year's agreement are \$13,398. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.

Schedule 6 (continued) – Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU)

6. The Regents of New Mexico State University and Brain POP LLC entered into a Memorandum of Understanding for the purpose of allowing the University of Michigan (to whom research study support is provided by Brain POP LLC) to use NMSU's game(s) titled Monster School Bus for the purpose of Games Implementation Research Project. The agreement continues in effect until the end of the contract, which is December 31, 2014, or upon all parties' written agreement to terminate this agreement. The total funds available for this project are \$10,000. The total expenses for the current year's agreement are \$7,914. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.

7. The Regents of New Mexico State University and the Department of Cultural Affairs entered into a Memorandum of Understanding in order to prepare an agricultural business plan by NMSU's Arrowhead Center for the economic agricultural study for Los Luceros historic ranch in New Mexico. The agreement continues in effect until the end of the contract, which is June 30, 2014. The total funds available for this project are \$15,000. The total expenses for the current year's agreement are \$4,372. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|----------------|-----------------------|------------------------------|-----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) | | | | | |
| | COSMOLOGICAL SIMULATIONS | 43.rd | GR0003816 | - | 26,112 |
| | FY11 EPSCOR- PROXIMITY OPERATIONS | 43.008 | GR0003799 | 69,362 | 244,972 |
| | GALAXY FORMATION IN LCDM | 43.rd | GR0003833 | - | 9,158 |
| | GSRP - ADAM MCKAY | 43.008 | GR0003733 | - | 17,363 |
| | METALLICITY DISTRIBUTION FUNCTIONS | 43.rd | GR0003645 | - | 37,151 |
| | NASA NNX07AO42A | 43.rd | GR0002485 | 20,979 | 105,337 |
| | NASA NNX08AY44G SPECTROSCOPY | 43.rd | GR0002800 | - | 24,086 |
| | NASA NNX09AP69A NESSI | 43.001 | GR0003065 | 99,755 | 99,755 |
| | NASA NNX09AV90G | 43.002 | GR0003151 | - | 648,714 |
| | NASA NNX10AC36A | 43.002 | GR0003195 | 115,065 | 115,065 |
| | NASA NNX11AB73G | 43.001 | GR0003533 | - | 5,679 |
| | NNX09AP76A | 43.002 | GR0003074 | - | 147,746 |
| | NNX09AV36G NASA | 43.001 | GR0003109 | - | 3,499 |
| | NASA TRAINING GRANT ANNOUNCEMENT | 43.001 | GR0003400 | - | 99,625 |
| | STSI HST-AR-12617.01-A | 43.rd | GR0003806 | - | 17,750 |
| | EXPLORING THE FUNDAMENTAL PARAMETER | 43.001 | GR0003871 | - | 33,326 |
| | EPSCOR MINORITY SERVING INSTITUTION | 43.008 | GR0003985 | 109,906 | 162,206 |
| | UPPER ATMOSPHERE CHEMISTRY AND NIGH | 43.001 | GR0003994 | - | 28,235 |
| | UNDERSTANDING MARS' VERTICAL TEMPER | 43.001 | GR0004003 | - | 31,281 |
| | SUBORBITAL TEST OF A ROBOTICS-BASED | 43.007 | GR0004009 | - | 84,556 |
| | STSci HST-GO-11658.02-A | 43.rd | GR0003379 | - | 1,944 |
| | RELATIVE KINEMATICS OF GALAXY | 43.rd | GR0003598 | - | 126 |
| | RESEARCH OPPORTUNITIES IN SPACE | 43.001 | GR0003964 | - | 50,899 |
| | NEW MEXICO NASA EPSCOR RESEARCH INF | 43.008 | GR0004096 | 22,236 | 71,018 |
| | ROSES 2012 OSCILLATIONS IN THE SOLA | 43.001 | GR0004151 | 67,157 | 101,231 |
| | NASA SPACE TECHNOLOGY RESEARCH FELL | 43.008 | GR0004266 | - | 44,845 |
| | NATIONAL SPACE GRANT STUDENT LAUNCH | 43.009 | GR0004366 | - | 19,627 |
| | A BREAKAWAY FROM INCREMENTAL SCIENC | 43.rd | GR0004370 | - | 71,697 |
| | LEGUS: LEGACY EXTRAGALACTIC UV SURV | 43.rd | GR0004385 | - | 4,112 |
| | NAS5-03003 NASA | 43.rd | GRP000904 | 9,297,361 | 28,193,503 |
| | NNX11A080A | 43.002 | GRP001173 | 561 | 402,918 |
| | | | NASA Direct | 9,802,382 | 30,903,537 |
| Assoc of Universities for Research in Astronomy, Inc. (AURA) | INFLUENCE OF SUBSURFACE N06504C-N | 43.001 | GR0003919 | - | 13,845 |
| California Institute of Technology | DATA ANALYSIS FOR VOYAGER 1 | 43.rd | GR0000153 | - | 22,905 |
| | INSIGHT MARS ENVIRONMENT PHASE C SU | 43.rd | GR0004339 | - | 3,009 |
| | KECK PI DATA AWARD 2014A-30 "IDENTI | 43.rd | GR0004449 | - | 7,622 |
| General Dynamics C4 Systems Inc | SPACE NETWORK GROUND SEGMENT SUSTAI | 43.rd | GRP001161 | - | 586,984 |
| Minority Innovation Challenges Institute MICI | NASA MICI STUDENT LAUNCH | 43.008 | GR0004200 | - | 1,266 |
| NorthWest Research Associates, Inc. | NWRA-09-S-117 | 43.rd | GR0002979 | - | 4,659 |
| | COLLABORATION UNDER PHOTOSPHERIC PR | 43.001 | GR0004081 | - | 12,342 |
| Orbital Science Corporation | SUPPORT OF NSROC II | 43.rd | GRP001149 | - | 357,762 |
| Space Science Institute (SSI) | SSI SUBAWARD 00516 | 43.rd | GR0003805 | - | 96,311 |
| | | | NASA Pass Thru | - | 1,106,706 |
| | NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) Total | | | 9,802,382 | 32,010,243 |
| DEPARTMENT OF DEFENSE (DOD) | | | | | |
| | AFOSR FA9550-10-1-0403 | 12.800 | GR0003384 | - | 39,226 |
| | STUDENT RESEARCH EXPERIENCE | 12.800 | GR0003835 | - | 19,609 |
| | US ARMY WAVELENGTH OBSCURANTS | 12.rd | GR0003726 | - | 182,280 |
| | W911NF-11-1-0195 | 12.630 | GR0003664 | 6,847 | 64,254 |
| | US ARMY W911NF-12-1-0050 | 12.431 | GR0003867 | - | 149,705 |
| | AFRL FA9453-12-1-0139 | 12.800 | GR0003882 | - | 6,401 |
| | A NOVEL FULLY DISTRIBUTED CONTROL S | 12.300 | GR0003967 | - | 7,176 |
| | ATTENUATION STRUCTURE OF NORTHEAST | 12.rd | GR0004002 | - | 117,453 |
| | NOVEL DETECTION OF OPTICAL ORBITAL | 12.800 | GR0004113 | - | 28,444 |
| | OPTICAL SPECTROSCOPY OF MATERIALS F | 12.800 | GR0004155 | 71,210 | 152,995 |
| | NMSU WATER SECURITY PROGRAM | 12.300 | GR0003338 | 26,194 | 494,790 |
| | PULSE COMPLEXITY BASED LIDAR SCENE | 12.630 | GR0004121 | - | 97,733 |
| | COOPERATIVE OPTIMIZATION AND CONTRO | 12.300 | GR0004143 | - | 327,321 |
| | FACILITATED-TRANSPORT ENABLED IN SI | 12.rd | GR0004332 | 101,487 | 168,618 |
| | NAT RESOURCES CONSERVATION WSMR | 12.rd | GR0004383 | 164,572 | 233,568 |
| | NAT RESOURCES CONSERVATION WSMR | 12.rd | GR0004471 | 42,294 | 46,669 |
| | ABUNDANCE AND HABITAT-RELATED PUPFI | 12.rd | GR0004394 | - | 9,187 |
| | ACQUISITION OF A HIGH-RESOLUTION HI | 12.630 | GR0004419 | - | 3,181 |
| | WILDLIFE WATER DEVELOPMENTS ON WSMR | 12.rd | GR0004427 | 2,893 | 3,399 |
| | RANCHING ORAL HISTORY WSMR | 12.rd | GR0004429 | 627 | 737 |
| | NATIONAL REGISTER OF HISTORIC PLACE | 12.rd | GR0004430 | 984 | 1,156 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|--|----------------|----------------------|------------------------------|-----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| | WSMR BAT PLANNING LEVEL SURVEYS | 12.rd | GR0004432 | - | 2,147 |
| | WHITE SANDS PUFFISH MANAGEMENT ENVI | 12.rd | GR0004433 | 32,723 | 37,098 |
| | TODSEN'S PENNYROYAL ENDANGERED SPEC | 12.rd | GR0004434 | 14,198 | 16,683 |
| | NATURAL RESOURCES CONSERVATION ON W | 12.rd | GR0004435 | 13,807 | 16,223 |
| | ACQUISITION OF AN INTERGRATED SYSTE | 12.630 | GR0004440 | - | 161,776 |
| | 53301 PREDICTIVE TECHNOLOGY | 12.431 | GRP000533 | - | 936,412 |
| | AERIAL CABLE | 12.431 | GRP000767 | - | (181,912) |
| | 1099 - TSER 2 | 12.431 | GRP001099 | 66,215 | 2,827,800 |
| | UNMANNED AIRCRAFT SYSTEMS | 12.rd | GRP001107 | - | 1,145,584 |
| | IOVSA FY10-FY15 | 12.rd | GRP001135 | 446,599 | 8,131,010 |
| | NGIA HM017710C0014 | 12.rd | GRP001147 | - | 21,743 |
| | ARDEC TELEMETRY SUPPORT | 12.rd | GRP001193 | - | 420,737 |
| | IPA-KING | 12.rd | GRP001207 | - | 218,438 |
| | ASTROLABE MAINT FY14 | 12.rd | GRP001214 | - | 19,850 |
| | ASTROLABE MAINT FY14 | 12.rd | GRP011214 | - | 63,130 |
| | | | DOD Direct | 990,649 | 15,990,618 |
| Aegis Technology Inc | SUPPORT FOR RESEARCH ON COATED | 12.rd | GR0004496 | - | 60,343 |
| Altamira Technologies Corporation | GRP1212 MAIN RECORD | 12.rd | GRP001212 | - | 1,201,006 |
| | GRP1225 | 12.rd | GRP001225 | - | 2,087 |
| AMEWAS, Inc (American Electronic Assoc, Inc) | AMEWAS JUAS ME 1200946 | 12.rd | GRP001192 | - | (19,109) |
| | AMEWAS 13-01188 | 12.rd | GRP001216 | - | 44,174 |
| BAE Systems | REDUCED-ORDR MODEL FLAPPING WING | 12.rd | GR0004173 | 44,053 | 123,024 |
| | GRP 1213 BAE MK38 | 12.rd | GRP001213 | - | 19,009 |
| BeraneK Inc. | BERANEK 32228 | 12.rd | GRP001211 | - | 200,939 |
| Boeing Mesa | BOEING RGDS ITERATION 3 | 12.rd | GRP001195 | - | 20,743 |
| | BOEING MR8 TLS PHASE II SUPPORT | 12.rd | GRP001203 | - | 8,440 |
| Booz Allen Hamilton Inc | BOOZ ALLEN AMALGAM DART SUPPORT | 12.rd | GRP001209 | - | 7,187 |
| High Performance Technologies, Inc. (HPTi) | AHPCRC - HPTI | 12.431 | GR0002275 | - | 3,753 |
| ITT Exelis Inc. | ITT EXELIS LANCE MISSILE TARGET SY | 12.rd | GRP001200 | - | 1,247,238 |
| Kratos Defense & Security Solutions, Inc | DTI 2&6 CHSPINDECKS | 12.rd | GRP001208 | - | 63,912 |
| L-3 Communications Telemetry East | 1219 COLEMAN S1005 | 12.rd | GRP001219 | - | 213,283 |
| | 1219 COLEMAN S1005 | 12.rd | GRP011219 | - | 86,296 |
| Lockheed Martin Shared Svcs | LM SPACE SYSTEMS CO. TCP RV-5 | 12.rd | GRP001201 | - | 239,279 |
| Lynntech, Inc. | HIGH EFFICIENT ENGINEERED OBSCURANT | 12.rd | GR0004115 | - | (3,740) |
| Quiroga-Pfeiffer Engineering Corporation | QPEC BRIDGE ASSESSMENT SERVICES | 12.rd | GR0003049 | - | 12,682 |
| Radiance Technologies | RADIANCE HEL-MD | 12.rd | GRP001197 | - | 8,540 |
| Stanford University | HIGH PERFORMANCE COMPUTING RESEARCH | 12.431 | GR0004227 | - | 189,227 |
| The AEGIS Technologies Group, Inc. | AEGIS UAV COUNTER-ISR | 12.rd | GRP001198 | - | 13,711 |
| | AEGIS UAV COUNTER-ISR PH III | 12.rd | GRP001210 | - | 59,890 |
| U.S. Government(Classified Contract) | 1166-SEAGULL | 12.rd | GRP001166 | 15,498 | 260,717 |
| University of Dayton Research Institute | WAVE OPTICS OF DEEP ATMOSPHERIC TUR | 12.800 | GR0004092 | - | 123,430 |
| Wright State University | FLOW CHARACTERIZATION AND ADJOINT BA | 12.800 | GR0003959 | - | 31,336 |
| | | | DOD Pass Thru | 59,550 | 4,217,396 |
| | DEPARTMENT OF DEFENSE (DOD) Total | | | 1,050,199 | 20,208,014 |
| NATIONAL SCIENCE FOUNDATION (NSF) | | | | | |
| | AST-0908126 | 47.049 | GR0003025 | - | 45,727 |
| | BRAINWAVE MEASUREMENT | 47.070 | GR0003636 | - | 174,441 |
| | CBET-0854411 | 47.041 | GR0003073 | - | 3,763 |
| | CMMI-1131290 | 47.041 | GR0003728 | - | 58,996 |
| | DUE-0926743 | 47.076 | GR0003061 | - | 5,235 |
| | NFS DUE-0652968 | 47.076 | GR0002418 | - | 39,175 |
| | NSF AGS-1049295 | 47.050 | GR0003488 | - | 9,600 |
| | NSF AST-1009908 | 47.049 | GR0003441 | - | 9,426 |
| | NSF CFF-0830666 | 47.070 | GR0002764 | - | 2,562 |
| | NSF CHE-0809966 ARRAY PLATFORMS | 47.049 | GR0002746 | - | 39,782 |
| | NSF CHE-1012479 | 47.049 | GR0003418 | - | 132,736 |
| | NSF DBI-0964127 | 47.074 | GR0003285 | - | 33,726 |
| | NSF DEB-0815808 | 47.074 | GR0002838 | - | 6,096 |
| | NSF DEB-0953864 | 47.074 | GR0003358 | - | 175,380 |
| | NSF DGE-0947465 | 47.076 | GR0003403 | - | 363,585 |
| | NSF DUE-1045231 | 47.076 | GR0003617 | - | 12,479 |
| | NSF HRD-0803171 | 47.076 | GR0002816 | 29,368 | 544,915 |
| | NSF INDEPTH IV EAR-0409870 | 47.050 | GR0002189 | - | 36,334 |
| | NSF LTER V DEB-0618210 | 47.074 | GR0002158 | - | 131,401 |
| | NSF MCB-0818729 | 47.074 | GR0002734 | - | 887 |
| | NSF MCB-1051453 | 47.074 | GR0003618 | - | 125,916 |
| | NSF PROJECT ENABLE | 47.070 | GR0003569 | - | 152,280 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|--|----------------|----------------------|------------------------------|-----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| | NSF/CHE CARBON NANSTRUCTURES | 47.049 | GR0003687 | - | 20,747 |
| | UNMANNED SYSTEMS | 47.041 | GR0003743 | - | 82,108 |
| | MATH SNACKS; ADDRESSING GAPS IN CON | 47.076 | GR0003080 | - | 595,694 |
| | PROCESSES AND PATTERNS IN THE NORTH | 47.074 | GR0003653 | - | 81,025 |
| | SPECTROSCOPIC ELLIPSOMETRY | 47.049 | GR0003706 | - | 138,275 |
| | BRIGE: A FULLY DISTRIBUTED MULTI-AG | 47.041 | GR0003709 | - | 24,289 |
| | CHEMICAL CARTOGRAPHY IN THE MILKY W | 47.049 | GR0003713 | - | 45,988 |
| | INVESTIGATION OF LIQUID CRYSTALLINE | 47.049 | GR0003729 | - | 32,237 |
| | SPIN SWITCHABLE LIGANDS FOR PROBING | 47.049 | GR0003771 | - | 12,683 |
| | CYBERINFRASTRUCTURE FOR SCALABLE | 47.070 | GR0003775 | - | 203,298 |
| | GRADUATE RESEARCH FELLOWSHIP PRGM F | 47.076 | GR0003865 | - | 68,129 |
| | CAREER: FLUORESCENCE LIFETIME | 47.074 | GR0003875 | - | 74,508 |
| | CAREER: INDIVIDUAL VARIATION IN DIS | 47.074 | GR0003922 | - | 170,591 |
| | CIF: MEDIUM: COLLABORATIVE RESEARCH | 47.070 | GR0003924 | - | 3,296 |
| | COLLABORATIVE RESEARCH: INTEGRATING | 47.076 | GR0003929 | - | 92,278 |
| | DIGITIZATION TCN: COLLABORATIVE RES | 47.074 | GR0003943 | - | 23,890 |
| | CREATIV: TOWARDS UBIQUITOUS ADOPTIO | 47.070 | GR0003989 | - | 188,850 |
| | OPTICAL MIMO AND HYBRID COMMUNCIATI | 47.041 | GR0004013 | - | 80,833 |
| | TOWARDS ASCERTAINING THE ORIGINS OF | 47.049 | GR0004015 | - | 15,273 |
| | METAL-BASED ELECTRON TRANSFER PROCE | 47.049 | GR0004018 | - | 66,612 |
| | MRI: ACQUISITION OF A SCANNING PROB | 47.049 | GR0004053 | - | 0 |
| | MCA-PGR: A PHYLOGENETICALLY INFORME | 47.074 | GR0004163 | - | 281,529 |
| | NSF EAR SILICIC SUPERVOLCAN | 47.050 | GR0002891 | - | 11,293 |
| | NEW MEXICO AMP BRIDGE TO THE DOCTOR | 47.076 | GR0003326 | 13,827 | 13,827 |
| | CNH: ACEQUIA WATER SYSTEMS LINKING | 47.075 | GR0003450 | 52,106 | 230,126 |
| | NSF CCF-1017632 | 47.070 | GR0003459 | - | 7,171 |
| | LTER VI: JORNADA BASIN | 47.074 | GR0004167 | - | 699,396 |
| | CHEMICAL ORTHOGONALITY IN TANDEM DI | 47.049 | GR0004271 | - | 107,383 |
| | CAREER: INSPIRE- AN INTEGRATED SOLA | 47.050 | GR0004287 | - | 29,677 |
| | COLLABORATIVE RESEARCH: THE EFFECT | 47.041 | GR0004288 | - | 13,759 |
| | MRI: ACQUISITION OF A MC-ICP-MS AT N | 47.050 | GR0004295 | - | 483,700 |
| | 2013-2014 LANSCE SCHOOL ON NEUTRON | 47.049 | GR0004301 | - | 30,815 |
| | DUE-0934919 | 47.076 | GR0003059 | - | 265,191 |
| | MATH SNACKS MARKET PLACE | 47.076 | GR0004142 | - | 9,191 |
| | BRIGE: ASPRIE-DATA: ADVANCING SCIEN | 47.041 | GR0004294 | - | 7,333 |
| | NM AMP SENIOR LEVEL ALLIANCES | 47.076 | GR0004346 | 80,460 | 152,915 |
| | MRI: ACQUIS INSTRUMENT RESRCH PARAL | 47.070 | GR0004390 | - | 223,836 |
| | CAREER: NEW CONSTRAINTS ON THE SOLA | 47.050 | GR0004444 | - | 26,454 |
| | ICREDITS: INTERDISCIPLINARY CENTER | 47.076 | GR0004460 | 10,000 | 111,581 |
| | COLLABORATIVE RESEARCH: HEAT-INDUCE | 47.041 | GR0004484 | - | 7,081 |
| | COLLABORATIVE RESEARCH: G PROTEIN | 47.074 | GR0004510 | - | 6,942 |
| | | | NSF Direct | 185,761 | 6,844,249 |
| American Association for Advancement of Science (AAAS) | IMPACTS OF DEFORESTATION ON RISK OF | 47.079 | GR0004109 | - | 10,095 |
| | ENVIRONMENTAL CONSTRAINTS OF THE EV | 47.079 | GR0004145 | - | 8,474 |
| Council of Graduate Schools | COMPLETION AND ATTRITION IN AGEP AN | 47.rd | GR0004088 | - | 8,601 |
| Institute Of Advanced Study | IAS 7445-2307 | 47.049 | GR0002140 | - | 14,644 |
| Stanford University | RE-INVENTING AMERICA'S URBAN WATER | 47.041 | GR0003759 | - | 444,720 |
| | | | GR0004311 | - | 26,990 |
| University of Arizona | ATD: STATISTICAL METHODS FOR FUNCTI | 47.049 | GR0004129 | - | 19,947 |
| University of Missouri | C00030084-1 | 47.076 | GR0003566 | - | 4,057 |
| University of New Hampshire | SUBAWARD# 11-101 | 47.050 | GR0003689 | - | 27,860 |
| University of New Mexico | GOALI | 47.041 | GR0003830 | - | 63,517 |
| | UNM SUBAWARD 06013-8745 | 47.077 | GR0002942 | - | 40,025 |
| | NM EPSCOR RII 4: ENERGIZE NEW MEXIC | 47.080 | GR0004265 | - | 251,376 |
| University of Texas | CAHSI | 47.070 | GR0003740 | - | 72,372 |
| | FEASIBILITY STUDY OF THIN FILM EVAP | 47.050 | GR0004203 | - | 10,195 |
| | | | NSF Pass Thru | - | 1,002,874 |
| | NSF CMMI-0960156 | 47.082 | GR0003212 | - | 239,961 |
| | NSF DBI-0959817 | 47.049 | GR0003288 | - | 1,866 |
| | NSF DMS-0914706 | 47.082 | GR0003053 | - | (667) |
| | NSF DUE 0928867 | 47.082 | GR0003014 | - | 1,163,381 |
| | | | NSF ARRA | - | 1,404,541 |
| | NATIONAL SCIENCE FOUNDATION (NSF) Total | | | 185,761 | 9,251,664 |
| DEPARTMENT OF ENERGY (DOE) | | | | | |
| | DE-FG02-96ER40965 DOE | 81.049 | GR0003639 | - | 90,082 |
| | DE-FG02-96ER40965 DOE | 81.049 | GR0004494 | - | 8,928 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|----------------|----------------------|------------------------------|-----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| | DOE DE-FG02-08ER15996 N-H BOND FORM | 81.049 | GR0002808 | - | 13,849 |
| | DOE DE-FG52-09NA29357 | 81.113 | GR0003145 | - | (3,210) |
| | DOE DE-OE0000098 ENERGY TECH INITIA | 81.122 | GR0003158 | - | 190,938 |
| | US DOE DE-FC36-07GO17034 | 81.117 | GR0002420 | 89,494 | 192,117 |
| | CARLSBAD ENVIRONMENTAL MONITORING | 81.041 | GR0000858 | - | 581,146 |
| | DOE DE-FG92-94ER40847 | 81.049 | GR0003928 | - | 433,798 |
| | HYDROPOWER ENERGY RESOURCE (HYPER) | 81.087 | GR0003941 | - | 200,970 |
| | CEMRC WIPP-EM | 81.104 | GR0004357 | - | 1,745,319 |
| | REALIZATION OF ALGAE POTENTIAL REAP | 81.087 | GR0004358 | - | 61,428 |
| | SNL PO 1041091 | 81.rd | GRP001144 | - | 0 |
| | | | DOE Direct | 89,494 | 3,515,366 |
| Battelle Memorial Institute | IMPROVED HYDROTHERMAL LIQUEFACTION | 81.079 | GR0004148 | - | 76,934 |
| | RESERVOIR-STIMULATION OPTIMIZATION | 81.079 | GR0004212 | - | (10,612) |
| | CHARACTERIZATION OF ALGAE FEEDSTOCK | 81.079 | GR0004243 | - | 17,904 |
| | ALGAE TRANSITION SUPPOR PROJECT MOD | 81.rd | GR0004248 | 63,648 | 146,220 |
| Colorado School of Mines | ADVANCING WEB-BAED TOOL FOR UNCONVE | 81.rd | GR0004315 | - | 38,907 |
| InnoSeptra | DETERMINATION OF CO2 ADSORPTION PRO | 81.089 | GR0003984 | - | 9,716 |
| Los Alamos National Security LLC | #112647 BASIC AGRMNT #74472-001-09 | 81.rd | GR0003532 | - | 49,545 |
| | HETEROSTRUCTED QUANTUM | 81.rd | GR0002935 | - | 25,087 |
| | LANL # 74243-001-010 | 81.rd | GR0003211 | - | 295,271 |
| | LANL 82028-001-10 | 81.rd | GR0003376 | - | 47,700 |
| | SYNTHESIS OF SEMICONDUCTOR NANO | 81.rd | GR0003573 | - | 72,562 |
| | PROBING STELLAR INTERIORS WITH ASTR | 81.rd | GR0003737 | - | 14,014 |
| | ATTENUATION STRUCTURE OF NORTHEAST | 81.rd | GR0004168 | - | 56,624 |
| | LUJAN NEUTRON SCATTERING CENTER AT | 81.rd | GR0004124 | - | 191,632 |
| | 75110-001-09 | 81.122 | GR0003064 | - | 782 |
| | LANSCE PROFESSORSHIP WITH NMSU AT T | 81.rd | GR0004377 | - | 74,729 |
| | ONE-SIDED COMMUNICATION STATE OF TH | 81.rd | GR0004379 | - | 28,008 |
| | SYNTHESIS AND CHARACTERIZATION OF SE | 81.rd | GR0004453 | - | 16,209 |
| National Renewable Energy Laboratory | HIGH-RESOLUTION MS PIPELINE FOR CHA | 81.rd | GR0004477 | - | 15,859 |
| Nuclear Waste Partnership LLC | WTS WIPP - MTO 408664 | 81.rd | GR0002593 | - | 98,156 |
| | IN-VIVO RADIOBIOASSAY SERVICES | 81.rd | GR0003998 | - | 23,119 |
| | CEMRC VOC/HM ANALYSIS | 81.rd | GR0004400 | - | 76,701 |
| Sandia Corporation | SNL 993827 | 81.122 | GR0003233 | - | 81,222 |
| | SNL PO 1145139 | 81.rd | GR0003719 | - | - |
| | SNL PO 1161991 - BRISCOE | 81.rd | GR0003738 | - | 40,000 |
| | SNL PO 898047 | 81.122 | GR0002933 | - | 51,917 |
| | SNL/NMSU AGR# 536578 | 81.rd | GR0003626 | - | (581) |
| | STOCHASTIC HPC SYSTEM MODELS | 81.rd | GR0003562 | - | 20,001 |
| | ADVISORY SERVICES | 81.rd | GR0004014 | - | 37,218 |
| | STUDIES ON THE BEHAVIOR OF ALUMINUM | 81.rd | GR0004068 | - | 27,718 |
| | TESTING & EVALUATION 2013 | 81.rd | GR0004075 | - | 119,606 |
| | PREPARATION AND CHARACTERIZATIO OF | 81.rd | GR0004305 | - | 40,000 |
| | SANDIA AIS SUPPORT | 81.rd | GRP001194 | - | 51,250 |
| University of Arizona | RAFT REGIONAL ALGALFEEDSTOCK TESTBE | 81.087 | GR0004336 | - | 230,970 |
| | | | DOD Pass Thru | 63,648 | 2,064,386 |
| Daniel Danforth Plant Science Center | 28302-K DANFORTH CENTER | 81.087 | GR0003280 | - | 31,333 |
| | | | DOD ARRA | - | 31,333 |
| | DEPARTMENT OF ENERGY (DOE) Total | | | 153,142 | 5,611,085 |
| DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) | 1SC1GM092297-01A1 | 93.859 | GR0003581 | - | 209,309 |
| | 1SC1HD063917-01A1 | 93.865 | GR0003060 | - | 35,023 |
| | MOSQUITO LARVAL IMMUNITY | 93.589 | GR0003599 | - | 91,340 |
| | NIH 1R21AI092041-01A1 | 93.855 | GR0003675 | - | 58,499 |
| | NIH 1SC1GM083693 | 93.859 | GR0002638 | - | 238 |
| | NIH 1SC1HD068128-01 | 93.865 | GR0003359 | - | 209,269 |
| | NIH 1SC2GM083697-01A1 BACTERIA RecN | 93.859 | GR0003055 | - | - |
| | NIH 1SCHDO60887-1 INFANT | 93.859 | GR0002701 | - | 1,973 |
| | NIH SCORE - 1SC1AI081659-01 | 93.856 | GR0002708 | - | (866) |
| | NIH1R15EY021341-01A1 DOC#REY021341A | 93.867 | GR0003757 | - | 79,849 |
| | U54 NCI ADVANCED CANCER RESEARCH | 93.701 | GR0002811 | - | 136,331 |
| | FDA FERN Microbiological Coop | 93.448 | GR0004029 | - | 212,411 |
| | ISC2GM092300 & DOCSGM092300A | 93.859 | GR0003267 | - | 301 |
| | NIH INBRE YR 13 | 93.389 | GR0004170 | 1,798,208 | 2,369,230 |
| | TOTAL SYNTHESIS AND EVALUATION OF T | 93.859 | GR0004171 | - | 89,266 |
| | BIOACTIVE LIPIDS IN LUNG CARCINOGEN | 93.859 | GR0004172 | - | 128,480 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|--|----------------|----------------------|------------------------------|-----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| | NANOPOROUS DRUG DELIVERY SYSTEMS | 93.286 | GR0004213 | - | 138,837 |
| | NIH SCORE METAL ION CHELATORS | 93.859 | GR0004228 | - | 76,336 |
| | REPAIR OF DAMAGED CHROMOSOMES MEDIA | 93.859 | GR0004261 | - | 224,205 |
| | CHARACTERIZATION OF AMINO ACID TRANS | 93.855 | GR0004269 | - | 289,145 |
| | PARTNERSHIP FOR THE ADVANCEMENT | 93.397 | GR0004341 | - | 749,105 |
| | BACTERIAL COLONIZATION AND IMMUNOGE | 93.855 | GR0004464 | - | 83,461 |
| | HEART HEALTHY MICROALGAE? ALGAL PRO | 93.859 | GR0004491 | - | 60,227 |
| | NIH INBRE YR 14 | 93.389 | GR0004515 | - | 86 |
| | | | HHS Direct | 1,798,208 | 5,242,054 |
| Board of Regents Nevada System of Higher Education | CTR-IN PILOT: TECHNOLOGY USE TO SUP | 93.859 | GR0004447 | - | 47,687 |
| Colorado State University | QUASISPECIES DYNAMICS IN ARBOVIRUS | 93.855 | GR0004082 | - | 43,431 |
| Massachusetts Institute of Technology | SYSTEMS BIOLOGY OF CELL DECISION | 93.859 | GR0004046 | - | 13,714 |
| Regents of the University of Colorado | NIH BRAIN | 93.859 | GR0003571 | - | 161,361 |
| Rochester Institute of Technology | LANGUAGE, LEARNING AND COGNITION AM | 93.173 | GR0004187 | - | 22,865 |
| University of Chicago | ANTIDEPRESSANT TREATMENT AND SUICID | 93.242 | GR0004004 | - | (0) |
| University of New Mexico | CLINICAL & TRANSLATIONAL RES IDEA- | 93.859 | GR0004368 | - | 35,734 |
| University of Texas | IN SITU-SENSING SYSTEM FOR THE SELE | 93.113 | GR0004164 | - | 14,815 |
| | | | HHS Pass Thru | - | 339,606 |
| | DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total | | | 1,798,208 | 5,581,660 |
| DEPARTMENT OF AGRICULTURE (USDA) | | | | | |
| | 2011051300-30679 PEANUT FARMING | 10.307 | GR0003843 | - | 2,041 |
| | ARS 58-1275-1-328 | 10.001 | GR0003736 | - | 47,016 |
| | ASSESSING AND MONITORING OF BIODIVE | 10.001 | GR0003861 | - | 33,149 |
| | CSREES 2009-55618-05094 IMPROV ECO | 10.206 | GR0002889 | - | 537 |
| | DISTRIBUTION& HABITAT SELECTION EAG | 10.001 | GR0003646 | - | 55,359 |
| | MONITORING/VALLES CALDERA | 10.679 | GR0003801 | - | 95,771 |
| | USDA 2010-85101-20482 | 10.310 | GR0003209 | 80,132 | 117,580 |
| | USDA 58-1275-1-333 | 10.001 | GR0003761 | - | 432 |
| | USDA 58-5428-9-342 | 10.001 | GR0003119 | - | 42,065 |
| | USDA ARS CA#58-6235-0-072 | 10.001 | GR0003457 | - | 19,784 |
| | USDA CSREES #2008-55101-19208 | 10.206 | GR0002688 | - | (58) |
| | USDA NCRS # 67-8C30-10-001 | 10.905 | GR0003464 | - | 101,245 |
| | USDA NIFA 2010-34604-20886 | 10.200 | GR0003295 | - | (421) |
| | USDA/ARS 58-1910-9-927 | 10.001 | GR0003027 | - | 22,203 |
| | USDA/CSREES 2008-55215-18837 | 10.206 | GR0002574 | (122) | (122) |
| | USDA/NIFA 2010-34624-20757 | 10.200 | GR0003273 | - | 6,142 |
| | RANGELAND MANAGEMENT PRACTICES | 10.001 | GR0002616 | - | 98 |
| | SOUTHWEST CONSORTIUM FOR PLANT GENE | 10.200 | GR0003513 | (1,002) | (394) |
| | STRENGTHENING PUBLIC CORN BREEDING | 10.307 | GR0003668 | - | 101,538 |
| | ACQUISTION OF GOODS AND SERVICES | 10.001 | GR0003956 | - | 1,866 |
| | ACQUISTION OF GOODS AND SERVICES | 10.001 | GR0004249 | - | 323,954 |
| | ANIMAL HEALTH FEDERAL APPROPRIATION | 10.207 | GR0004025 | - | 26,096 |
| | ANIMAL HEALTH FEDERAL APPROPRIATION | 10.207 | GR0004327 | - | 2,760 |
| | USDA FOREST SVC 11-DG-11132762-318 | 10.684 | GR0003772 | - | 4,831 |
| | GRAY FOX GENETIC ANALYSIS | 10.028 | GR0003792 | - | 12,500 |
| | USDA/REAP GRANT NO 1 | 10.868 | GR0003887 | - | 43,591 |
| | COTTON GIN-ACQUISTION OF GOODS AND | 10.001 | GR0003957 | - | 1,292 |
| | COTTON GIN-ACQUISTION OF GOODS AND | 10.001 | GR0004250 | - | 13,571 |
| | COTTON GIN-ACQUISTION OF GOODS AND | 10.001 | GR0004487 | - | 3,619 |
| | RUSSIAN KNAPEEED BIOLOGICAL CONTROL | 10.025 | GR0004286 | - | 32,937 |
| | RUSSIAN KNAPEEED BIOLOGICAL CONTROL | 10.025 | GR0004392 | - | 14,737 |
| | HATCH FED APPROP FY 13 | 10.203 | GR0004026 | - | 401,785 |
| | MCINTIRE STENNIS FED APPR FY13 | 10.200 | GR0004027 | - | 32,156 |
| | MULTI STATE FED APPROP FY13 | 10.200 | GR0004028 | - | 208,274 |
| | MONITORING AND EVALUATION SUPPORT F | 10.001 | GR0004119 | - | 54,754 |
| | AUTOMATED SCREENING TECHNOLOGY FOR | 10.664 | GR0003776 | - | 508 |
| | MANAGEMENT TECHNOLOGIES FOR WESTERN | 10.001 | GR0004177 | - | 1,114,410 |
| | LANDSCAPE SCALE PATTERNS OF FIRE AN | 10.rd | GR0004229 | - | 25,080 |
| | ENHANCING CAPACITY FOR IDENTIFICATI | 10.rd | GR0004244 | - | 48,494 |
| | PECAN ROOTSTOCK CULTIVAR: IMPLICATI | 10.001 | GR0004319 | - | 9,259 |
| | DEVELOPMENT AND IMPLEMENTATION OF A | 10.001 | GR0004320 | - | 50,512 |
| | HATCH FED APPROP FY 14 | 10.203 | GR0004328 | - | 892,190 |
| | MCINTIRE STENNIS FED APPR FY14 | 10.200 | GR0004329 | - | 153,465 |
| | MULTI STATE FED APPROP FY14 | 10.200 | GR0004330 | - | 345,998 |
| | ACQUISTION OF A HIGH-SPEED CENTRIFU | 10.310 | GR0004344 | - | 19,722 |
| | ASSESSING AND MONITORING BIODIVERSI | 10.902 | GR0004345 | - | 51,150 |
| | DISEASE MARKERS MYCOBACTERIUM BO | 10.310 | GR0004396 | - | 18,780 |
| | CONSERVATION OF BLISTER RUST RESIST | 10.680 | GR0004409 | - | 1,726 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|----------------|----------------|------------------------------|-----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| | IMPROVING CACTUS MOTH CONTROL | 10.310 | GR0004439 | - | 24,550 |
| | | | USDA Direct | 79,008 | 4,578,529 |
| Dine College | DINE COLLEGE PSC 3/16/10 | 10.227 | GR0003265 | - | 0 |
| | NATIVE AND NON-NATIVE AGAVE, OPUNTI | 10.227 | GR0004117 | - | 16,483 |
| Kansas State University | CANOLA FOR THE GREAT PLAINS | 10.200 | GR0003543 | - | 10,418 |
| | CANOLA FOR THE GREAT PLAINS | 10.200 | GR0004363 | - | 5,606 |
| Michigan State University | CAPE: COMMUNITY ASSESMENT AND EDUCA | 10.500 | GR0004463 | - | 30,043 |
| North Carolina State University | NCSU #2010-1365-03 | 10.309 | GR0003552 | - | 2,811 |
| Regents University of California Davis | DEVELOPMENT AND EVALUATION OF A BI | 10.303 | GR0004458 | - | 3,857 |
| State of Arizona | UNIV OF AZ Y560392 | 10.217 | GR0003545 | - | 39,482 |
| State of New Mexico | 96-521.04-021 J.P.A | 10.680 | GR0001031 | - | 569 |
| Texas A&M Research Foundation | TAMU CONSORTIUM | 10.310 | GR0003663 | - | 15,665 |
| Texas A&M University | EFFICIENT IRRIGATION | 10.200 | GR0003372 | - | 1,018 |
| Texas Tech University | DEVELOPMENT OF SAFFLOWER AS A NEW B | 10.320 | GR0004205 | - | 17,115 |
| The Board of Trustees of the University of Illinois | UNIV OF IL 2009-06801-02 | 10.310 | GR0003251 | - | (2,015) |
| University of Arizona | SUBGRNT #Y561984-UA/UCD/NIFA | 10.309 | GR0003655 | - | 57,490 |
| University of Florida | SYSTEMS APPROACH TO IMPROVING ABIOT | 10.310 | GR0004406 | - | 2,198 |
| University of Georgia | SYSTEMS APPROACH AT IMPROVING THELO | 10.309 | GR0003837 | - | 117,228 |
| University of Idaho | RANGELAND EDUCATION NIFA | 10.217 | GR0003621 | - | 24,051 |
| University of Texas | REGIONAL ENERGY & EDUCATION NETWORK | 10.223 | GR0003824 | - | 161,354 |
| Utah State University | USU #090758004 SUSTAINABL LIVESTOCK | 10.215 | GR0003140 | 3,917 | 4,492 |
| | WINTER PROD OF LEAFY GREENS | 10.215 | GR0003147 | - | 40 |
| | | | USDA Pass Thru | 3,917 | 507,905 |
| | DEPARTMENT OF AGRICULTURE (USDA) Total | | | 82,925 | 5,086,434 |
| DEPARTMENT OF INTERIOR (DOI) | | | | | |
| | CA #1434-017QRU1572 RW O65 | 15.812 | GR0003735 | - | 8,676 |
| | DOI BLM L10AC20426 | 15.238 | GR0003497 | - | 600 |
| | DOI/USGS G08AC00056 | 15.805 | GR0002840 | 102,194 | 167,772 |
| | DSCESU NMSUDS-47 | 15.945 | GR0003739 | 1,814 | (862) |
| | ECOLOGY AND CONSERVATION WHITE SAND | 15.rd | GR0003594 | - | 624 |
| | | | GR0004010 | - | 5,820 |
| | MAPPING BIODIVERSITY METRICS | 15.812 | GR0003553 | - | 124,383 |
| | US DOI/BOR R10AC80283 | 15.506 | GR0002841 | - | 1,045,714 |
| | USDOI/USGS G10AC00516 | 15.805 | GR0003478 | 281,450 | 354,022 |
| | USGS G11AC20383 | 15.812 | GR0003720 | - | 27,871 |
| | R05AC40438 CA9-FG-81-0143 BOR/DOI | 15.517 | GR0001054 | - | 29,131 |
| | CHIHUAHUAN DESERT NETWORK | 15.rd | GR0003281 | - | (5,673) |
| | WRRRI PROGRAM | 15.805 | GR0003622 | 10,490 | 103,004 |
| | ADMIN SUPPORT FOR THE CHIHUAHUAN | 15.921 | GR0003718 | - | (16,940) |
| | INVENTORY OF CARBON SEQUESTRATION | 15.945 | GR0003732 | - | 52,716 |
| | CLIMATE INFLUENCED STRESSORS TROUT | 15.812 | GR0003900 | - | 18,355 |
| | POPULATION DYNAMICS AND REINTRODUCT | 15.812 | GR0003923 | - | 12,102 |
| | SEASONAL ECOLOGY OF PECOS PUPFISH I | 15.812 | GR0003927 | 2,417 | 16,412 |
| | MEASURING SCALED QUAIL DEMOGRAPHY A | 15.812 | GR0003996 | - | (2,037) |
| | MEASURING SCALED QUAIL DEMOGRAPHY A | 15.231 | GR0004074 | - | 22,368 |
| | CHIHUAHUAN DESERT NETWORK ADMIN SUP | 15.945 | GR0004314 | - | 197,247 |
| | CHIHUAHUAN DESERT NETWORK ADMIN SUP | 15.rd | GR0004079 | - | (36,694) |
| | GROUNDWATER EXPLORATION, ASSESSMENT | 15.805 | GR0004191 | 152,960 | 165,780 |
| | INVESTIGATING IMPACTS OF ENERGY DEV | 15.812 | GR0004196 | - | 49,443 |
| | EVALUATION OF INTERMITTENCY OF STRE | 15.812 | GR0004197 | - | 3,409 |
| | DEMOGRAPHY AND SEASONAL MOVEMENT PA | 15.655 | GR0004219 | - | 28,568 |
| | AMERICAN PRONGHORN POPULATION ASSMT | 15.657 | GR0004233 | - | 31,869 |
| | CULTURAL RESOURCE SUPPORT FOR ARCHA | 15.rd | GR0004253 | - | 42,326 |
| | WHITE SANDS NATIONAL MONUMENT ARCHA | 15.945 | GR0004262 | - | 8,313 |
| | CRP HABITAT BY THE LESSER PRAIRIE-C | 15.812 | GR0004275 | - | 39,511 |
| | MODELING THE EFFECTS OF CLIMATE CHA | 15.812 | GR0004276 | 13,844 | 73,767 |
| | SOIL PHYSICAL PROPERTIES AT BGNDRF | 15.rd | GR0004277 | - | 2,500 |
| | ASSESSMENT OF DROUGHT IMPACTS ON SE | 15.812 | GR0004279 | - | 74,891 |
| | CESU- STUDY OF THE GEOLOGY OF NLCS | 15.238 | GR0004061 | - | 6,040 |
| | LESSER PRAIRIE CHICKEN MANAGEMENT A | 15.231 | GR0004194 | - | 15,984 |
| | GREATER SANDHILL CRANE ECOL / DEMO | 15.655 | GR0004369 | - | 11,802 |
| | QUANTIFYING HABITAT WHOOPING CRANE | 15.945 | GR0004397 | - | 37,808 |
| | MONITORING AND FORECASTING CLIMATE, | 15.808 | GR0004403 | 55,139 | 69,487 |
| | | | DOI Direct | 620,308 | 2,786,106 |
| National Fish and Wildlife Foundation | IMPACTS ON LESSER PRAIRIE-CHICKEN P | 15.663 | GR0004231 | - | 33,526 |
| Pueblo of Jemez | RESOURCE SELECTION AND MOVEMENTS OF | 15.639 | GR0004352 | - | 71,456 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|-------------|------------|---------------------------|----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM | | | | | |
| State of New Mexico | DECISION SUPPORT SYSTEM | 15.661 | GR0003862 | - | 10 |
| | CROP COEFFICIENTS FOR THE MIDDLE RI | 15.557 | GR0004138 | - | 38,808 |
| University of Wyoming | DEVELOPING NON-DESTRUCTIVE METHODS | 15.945 | GR0004264 | - | 4,028 |
| Wyoming Game and Fish Department | BURBOT AND SAUGER OTOLITH MICROCHEM | 15.608 | GR0003788 | - | 4,038 |
| | DOI Pass Thru | | | - | 151,867 |
| | DEPARTMENT OF INTERIOR (DOI) Total | | | 620,308 | 2,937,973 |
| US TRADE DEVELOPMENT AGENCY (USTDA) | | | | | |
| CELSIA S.A. E.S.P. | FEASIBILITY STUDY FOR 20 MW HYBRID | 59.rd | GR0004146 | 121,444 | 274,357 |
| Comision Ejecutiva Hidroelectrica Del Rio Lempa | FEASIBILITY STUDY FOR 3 MW SOLAR PA | 59.rd | GR0004030 | 45,378 | 125,898 |
| | USTDA Pass Thru | | | 166,822 | 400,255 |
| | US TRADE DEVELOPMENT AGENCY (USTDA) Total | | | 166,822 | 400,255 |
| DEPARTMENT OF EDUCATION (EDUC) | | | | | |
| Utah State University | 101008001 | 84.396 | GR0003539 | - | 309,845 |
| | EDUC ARRA | | | - | 309,845 |
| | DEPARTMENT OF EDUCATION (EDUC) Total | | | - | 309,845 |
| AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) | | | | | |
| University of Georgia | AN INTEGRATED GLOBAL BREEDING APPRO | 98.012 | GR0004407 | - | 17,621 |
| Winrock International Institute Of Agricultural Development | WINROCK INTERNATIONAL 12/1/09 | 98.001 | GR0003180 | - | 132,074 |
| | USAID Pass Thru | | | - | 149,694 |
| | AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) Total | | | - | 149,694 |
| ENVIRONMENTAL PROTECTION AGENCY (EPA) | | | | | |
| | POLLUTION PREVENTION GRANT PRGM | 66.708 | GR0004058 | - | 46,381 |
| | FY13 POLLUTION PREVENTION GRNT PRGM | 66.708 | GR0004384 | - | 9,141 |
| | EPA Direct | | | - | 55,522 |
| Border Environment Cooperation Commission (BECC) | BINATIONAL BORDER AIR QUALITY STUDY | 66.931 | GR0004246 | - | 28,725 |
| University of Texas | SCERP FY11 UTEP ENVIRON SPT | 66.202 | GR0003597 | - | 2,392 |
| | WATER TREATMENT SYSTEMS | 66.509 | GR0003880 | - | 14,538 |
| | EPA Pass Thru | | | - | 45,655 |
| | ENVIRONMENTAL PROTECTION AGENCY (EPA) Total | | | - | 101,177 |
| DEPARTMENT OF TRANSPORTATION (DOT) | | | | | |
| | FAA 10-C-CST-NMSU | 20.109 | GR0003529 | 19,051 | 78,202 |
| | DOT Direct | | | 19,051 | 78,202 |
| State of New Mexico | DEVELOP AND DEPLOY STATE OF THE ART | 20.rd | GR0004174 | - | 11,758 |
| Texas A&M Research Foundation | USE OF ALTERNATIVE WATER SOURCES | 20.761 | GR0003828 | - | 3,662 |
| | DOT Pass Thru | | | - | 15,420 |
| | DEPARTMENT OF TRANSPORTATION (DOT) Total | | | 19,051 | 93,622 |
| DEPARTMENT OF HOMELAND SECURITY (DHS) | | | | | |
| Kansas State University | ENHANCING HS-STEM CAREER DEVEVELOP | 97.104 | GR0003873 | - | 8,485 |
| Northeastern University | AWARENESS AND LOCALIZATION OF EXPLO | 97.061 | GR0004391 | - | 47,588 |
| University of Rhode Island | UORI#112108/0001865 SAMPLG F EXPLOS | 97.061 | GR0002888 | - | 1,689 |
| | DHS Pass Thru | | | - | 57,763 |
| | DEPARTMENT OF HOMELAND SECURITY (DHS) Total | | | - | 57,763 |
| DEPARTMENT OF COMMERCE (DOC) | | | | | |
| University of Arizona | CLIMAS AIR QUALITY AND CLIMATE ASSE | 11.431 | GR0004207 | - | 37,432 |
| | DOC Pass Thru | | | - | 37,432 |
| | DEPARTMENT OF COMMERCE (DOC) Total | | | - | 37,432 |
| NATIONAL ENDOWMENT FOR HUMANITIES (NEH) | | | | | |
| | NEH HR-50534 | 45.168 | GR0003216 | - | 4 |
| | NEH Direct | | | - | 4 |
| | NATIONAL ENDOWMENT FOR HUMANITIES (NEH) Total | | | - | 4 |
| | TOTAL RESEARCH AND DEVELOPMENT CLUSTER | | | \$ 13,878,798 | \$ 81,836,864 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|--|---|----------------|---------------|------------------------------|-----------------------|
| STUDENT FINANCIAL AID CLUSTER - MAJOR PROGRAM | | | | | |
| DEPARTMENT OF EDUCATION (EDUC) | | | | | |
| | FEDERAL PELL FY12 | 84.063 | GRB000080 | - | 190 |
| | WORKSTUDY FED APP | 84.033 | GR0000870 | - | 1,240,821 |
| | FEDERAL PELL FY13 | 84.063 | GRB000099 | - | 3,660 |
| | FEDERAL SEOG FY13 | 84.063 | GRB000100 | - | 51,004 |
| | FEDERAL TEACH GRANT FY13 | 84.379 | GRB000102 | - | 3,760 |
| | FEDERAL PELL FY14 | 84.063 | GRB000108 | - | 48,370,552 |
| | FEDERAL TEACH GRANT FY14 | 84.379 | GRB000112 | - | 26,524 |
| | FEDERAL SEOG FY14 | 84.063 | GRB000113 | - | 621,101 |
| | PERKINS LOAN CANCELLATIONS | 84.037 | | | 205,997 |
| | DEPARTMENT OF EDUCATION (EDUC) Total | | | - | 50,523,607 |
| DEPARTMENT OF VETERANS ADMINISTRATION (VA) | | | | | |
| | REPORTING OF VETERANS | | | - | 20,436 |
| | DEPARTMENT OF VETERANS ADMINISTRATION (VA) Total | | | - | 20,436 |
| TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER | | | | \$ - | \$ 50,544,043 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|----------------|-----------------------|------------------------------|-----------------------|
| INDIVIDUAL AWARDS - MAJOR PROGRAM | | | | | |
| DEPARTMENT OF DEFENSE (DOD) | | | | | |
| | DOD W91WAW-10-1-0001 | 12.599 | GR0003282 | - | 7,913,097 |
| | | | DOD Direct | - | 7,913,097 |
| | DEPARTMENT OF DEFENSE (DOD) Total | | | - | 7,913,097 |
| DEPARTMENT OF AGRICULTURE (USDA) | | | | | |
| USDA Direct Awards | | | | | |
| | SPCL NEEDS SMITH LVR 3B FED AP FY10 | 10.500 | GR0003126 | - | 3,230 |
| | EXTENSION INTEGRATED PEST MANAGEMEN | 10.500 | GR0003395 | - | 43,816 |
| | EXTENSION INTEGRATED PEST MANAGEMEN | 10.500 | GR0004355 | - | 11,357 |
| | WESTERN SMALL FARM IPM WORKING GROU | 10.500 | GR0003474 | 25,909 | 30,329 |
| | PESTS OF THE WEST: FIRST DETECTOR P | 10.500 | GR0003477 | - | 145 |
| | STATE OPERATION FEDERAL SMITH LEVER | 10.500 | GR0004019 | - | 470,874 |
| | STATE OPERATION FEDERAL SMITH LEVER | 10.500 | GR0004321 | - | 1,409,442 |
| | STATE EXPANDED FOOD NUTRITION EFNEP | 10.500 | GR0003751 | - | 374,635 |
| | STATE EXPANDED FOOD NUTRITION EFNEP | 10.500 | GR0004021 | - | 231,846 |
| | STATE EXPANDED FOOD NUTRITION EFNEP | 10.500 | GR0004323 | - | 61,918 |
| | SPECIAL NEEDS SMITH LEVER 3B FED AP | 10.500 | GR0003752 | - | 1,690 |
| | SPECIAL NEEDS SMITH LEVER 3B FED AP | 10.500 | GR0004022 | - | (3,802) |
| | SPECIAL NEEDS SMITH LEVER 3B FED AP | 10.500 | GR0004324 | - | 17,533 |
| | PESTICIDE SAFETY EDUCATION PRGM | 10.500 | GR0004067 | - | 7 |
| | 2011-412000-03100 | 10.500 | GR0003429 | - | 95,522 |
| | JICARILLO FEDERALLY-RECOGNIZED TRIB | 10.500 | GR0003781 | - | 18,519 |
| | JICARILLO FEDERALLY-RECOGNIZED TRIB | 10.500 | GR0004297 | - | 64,628 |
| | FY13 FERS RETIREMENT | 10.500 | GR0004023 | - | 3,029 |
| | ZUNI FEDERALLY RECOGNIZED TRIBES EX | 10.500 | GR0004293 | - | 29,600 |
| | FY14 FERS RETIREMENT | 10.500 | GR0004325 | - | 30,466 |
| | | | USDA Direct | 25,909 | 2,894,783 |
| Dine College | STAFF CAPACITY BUILDING | 10.500 | GR0003859 | - | 29,727 |
| Kansas State University | MILITARY 4-H CLUB 2013 | 10.500 | GR0004069 | - | 9,524 |
| | 2014 4-H MILITARY PARTNERSHIP GRANT | 10.500 | GR0004380 | - | 9,609 |
| | CAPE: COMMUNITY ASSESSMENT AND EDUC | 10.500 | GR0004417 | - | 9,576 |
| State of Arizona | NAVAJO AG/4H | 10.500 | GR0000815 | - | 64,606 |
| | TAMU AgriLife 628007 | 10.500 | GR0003368 | - | (2,323) |
| University of Arizona | AZ INDIAN CTRY SAN CARLOS APACHE | 10.500 | GR0004381 | - | 21,575 |
| University of Wyoming | 2012 IMPLEMENTATION OF SARE-NM | 10.500 | GR0004093 | - | 17,368 |
| | 2013 IMPLEMENTATION OF SARE-NM | 10.500 | GR0004371 | - | 3,837 |
| | SARE FELLOWS TRAINING PROGRAM | 10.500 | GR0004489 | - | 6,712 |
| | | | USDA Pass Thru | - | 170,211 |
| | DEPARTMENT OF AGRICULTURE (USDA) Total | | | 25,909 | 3,064,994 |
| TOTAL INDIVIDUAL AWARDS MAJOR PROGRAMS | | | | \$ 25,909 | \$ 10,978,091 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|--|--|-------------|--------------------------------|---------------------------|--------------------|
| INDIVIDUAL AWARDS - OTHER | | | | | |
| DEPARTMENT OF DEFENSE (DOD) | | | | | |
| | PRE-USASMA COURSE - ENGLISH WRITING | 12.xx | GR0004181 | - | 12,745 |
| | PRE-USASMA COURSE - ENGLISH WRITING | 12.xx | GR0004474 | - | 16,361 |
| | | | DOD Direct | - | 29,107 |
| Academy of Applied Science | 2013 REAP | 12.431 | GR0004175 | - | 1,853 |
| | 2014 REAP | 12.431 | GR0004485 | - | 2 |
| | 2014 REAP | 12.431 | GR0004486 | - | 1,208 |
| New Mexico Institute of Mining and Technology | NM BEST ROBOTICS | 12.800 | GR0004199 | - | 20,000 |
| | | | DOD Pass Thru | - | 23,064 |
| | DEPARTMENT OF DEFENSE (DOD) Total | | | - | 52,170 |
| DEPARTMENT OF AGRICULTURE (USDA) | | | | | |
| USDA SNAP Cluster | | | | | |
| | SNAP FED FY14 | 10.561 | GR0004334 | - | 735,950 |
| | SNAP FED FY13 Q234 | 10.561 | GR0004055 | - | 254,392 |
| | | | SNAP Cluster | - | 990,342 |
| USDA Child Nutrition Cluster | | | | | |
| | SUMMER FOOD SERV UPWARD BOUND #3070 | 10.559 | GR0004220 | - | 6,250 |
| | SUMMER FOOD SERV UPWARD BOUND #3070 | 10.559 | GR0004495 | - | 480 |
| | 2013 SUMMER FOOD SRVC PRGM TALENT S | 10.559 | GR0004260 | - | 2,345 |
| | PREP SUMMER FOOD SERVICE FY13 | 10.559 | GR0004348 | - | 11,070 |
| | | | Child Nutrition Cluster | - | 20,146 |
| USDA Direct Awards | | | | | |
| | 2009-39300-19980 | 10.443 | GR0003086 | - | 23,593 |
| | CHILDREN'S FOREST | 10.xx | GR0020086 | - | 11,350 |
| | USDA 58-3148-1-047 | 10.960 | GR0003550 | - | 55,374 |
| | USDA 2009-38411-19752 | 10.217 | GR0003253 | 8,059 | 13,122 |
| | USDACSREES 2009-37620-05615 NMALIRT | 10.304 | GR0003081 | - | 1,656 |
| | USDA-FAS 58-3148-9-009 NATUR RESOUR | 10.960 | GR0002917 | - | 46,909 |
| | SYNDROMIC SURVEILLANCE PROGRAM | 10.025 | GR0004060 | 19,016 | 77,532 |
| | SUPPORTING INSTRUCTION IN SOIL & PL | 10.223 | GR0003612 | - | 161,410 |
| | RENEWAL RESOURCES RREA FED APPROP F | 10.200 | GR0004024 | - | (690) |
| | RENEWAL RESOURCES RREA FED APPROP F | 10.200 | GR0004326 | - | 31,560 |
| | PREPARING STUDENTS FOR CAREER PATHS | 10.223 | GR0003797 | 305,493 | 705,519 |
| | SOUTHERN PUEBLOS BEGINNING FARMERS | 10.311 | GR0003977 | 5,308 | 79,093 |
| | NM ALIRT NM AG/LIVESTOCK INCIDENT R | 10.304 | GR0004011 | - | 27,161 |
| | NEW MEXICO OUTREACH PROJECT | 10.443 | GR0004034 | - | 210,398 |
| | USDA-NRCS - TECHNICAL ASSISTANCE TO | 10.912 | GR0004054 | - | 514,815 |
| | BUILDING AN UNDERSTANDING OF CATTLE | 10.156 | GR0004059 | 20,006 | 24,011 |
| | USDA ERS 58-3000-2-0103 | 10.250 | GR0004098 | 9,000 | 10,932 |
| | 12/15 NM SPECIALTY CROPS BLOCK GRAN | 10.170 | GR0004103 | 10,000 | 214,267 |
| | SPECIALITY CROP BLOCK GRANT | 10.170 | GR0003487 | - | 11,370 |
| | SPECIALITY CROP BLOCK GRANT | 10.170 | GR0003808 | 15,373 | 32,067 |
| | 11-8580-0814-CA | 10.025 | GR0003764 | - | (2,765) |
| | 2012 WALNUT TWIG BORER | 10.156 | GR0004083 | - | 4,255 |
| | LONG-TERM TECHNICAL ASSISTANCE TO B | 10.960 | GR0004214 | - | 115,402 |
| | TECHNICAL ASSISTANCE-WATER RESOURCE | 10.960 | GR0004256 | - | 46,909 |
| | PESTICIDE RECORD KEEPING | 10.163 | GR0004263 | - | 23,777 |
| | 2013 USDA INFRASTRUCTRE(CORE) PROJ | 10.156 | GR0004292 | - | 72,118 |
| | 2013 PEST DETECTION/NURSERY BUNDLED | 10.025 | GR0004304 | - | 9,524 |
| | 13/14 NM ENHANCED PASSIVE SURVEILLA | 10.025 | GR0004356 | 12,727 | 53,972 |
| | 13/16 NM SPECIALTY CROPS BLOCK GRAN | 10.170 | GR0004364 | 42,368 | 65,528 |
| | 2014 PEST DETECTION / CORN BUNDLED | 10.025 | GR0004402 | - | 7,167 |
| | 2014 USDA INFRASTRUCTRE(CORE) PROJ | 10.025 | GR0004408 | - | 37,180 |
| | NRM TECHNICAL ASSISTANCE-WAT | 10.960 | GR0004421 | - | 94,039 |
| | FMHA AG MEDIATION AMP | 10.435 | GR0000836 | - | 18,623 |
| | THE JOE SKEEN STUDENT CAREER EXPERI | 10.028 | GR0004084 | - | 5,388 |
| | 13/14 USDA WILDLIFE SERVICE | 10.028 | GR0004462 | - | 20,000 |
| | FMHA AG MEDIATION 2014 | 10.435 | GR0004476 | - | 5,350 |
| | | | USDA Direct | 447,350 | 2,827,913 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|-------------|------------|---------------------------|--------------------|
| INDIVIDUAL AWARDS - OTHER | | | | | |
| Developing Innovations in Navajo Education, Inc. DINE, Inc. | NATIVE AMERICAN PRODUCER SUCCESS | 10.443 | GR0004070 | - | 15,486 |
| Drexel University | DREXEL UNIV #211020 POULTRY & EGGS | 10.303 | GR0003157 | - | 36,727 |
| Michigan State University | MSU 61-4299A | 10.303 | GR0003185 | - | (620) |
| North Carolina State University | BUILDING CAPACITY TO CONTROL VIRAL | 10.310 | GR0003936 | - | 207,219 |
| Ohio State University | OSU PO RF01187669 | 10.303 | GR0003243 | - | 59,821 |
| Regents University of California Davis | UNIV OF CA, DAVIS 2001117720 | 10.200 | GR0003762 | - | (2,217) |
| | 2012 IR-4 WESTERN REGION FOOD USE R | 10.200 | GR0004039 | - | 14,814 |
| | WESTERN REGION PLANT DIAGNOSTIC NET | 10.304 | GR0004050 | - | 19,936 |
| | 11-8580-0814-CA | 10.025 | GR0003764 | - | 2,765 |
| | 2013 IR-4 WESTERN REGION FOOD USE R | 10.200 | GR0004351 | - | 59,804 |
| Rutgers University | RUTGERS #4008 | 10.303 | GR0003286 | - | 3,378 |
| South Dakota State University | USDA/NIFA 3TB576 | 10.217 | GR0003868 | - | 124,834 |
| State of New Mexico | CACFP AGREEMENT #0664 | 10.558 | GR0003411 | - | 7,111 |
| | HEADSTART CHILD AND ADULT CARE FOOD | 10.558 | GR0002857 | - | 86,428 |
| Texas A&M Univeristy- Kingsville | THE LEADERS PROGRAM: LEARNING, ENHA | 10.223 | GR0004342 | - | 27,622 |
| Texas A&M University | TAMU 451003 | 10.303 | GR0002884 | - | 59,288 |
| The Board of Regents of the University of Nebraska | STEC IN THE BEEF CHAIN | 10.310 | GR0004272 | - | 34,357 |
| The Trustees of Purdue University | STRONGER ECONOMIES TOGETHER IV (NOR | 10.771 | GR0004466 | - | 2,363 |
| University of Connecticut | CONNECTICUT FITNESS AND NUTRITION C | 10.310 | GR0004232 | - | 86,413 |
| University of Delaware | DEVELOPMENT AND ASSESSMENT OF AN ED | 10.217 | GR0004176 | - | 13,100 |
| | USDA Pass Thru | | | - | 858,629 |
| | DEPARTMENT OF AGRICULTURE (USDA) Total | | | 447,350 | 4,697,030 |
| DEPARTMENT OF EDUCATION (EDUC) | | | | | |
| EDUC TRIO Cluster | | | | | |
| | US DOEd P042A100782 | 84.042 | GR0003424 | - | 386,316 |
| | NMSU-TRIO-UPWARD BOUND PROGRAM | 84.047 | GR0004033 | - | 351,776 |
| | NMSU EDUCATIONAL TALENT SEARCH | 84.066 | GR0003742 | - | 238,986 |
| | TRIO Cluster | | | - | 977,077 |
| | ALLIED HEALTH/NURSING PROGRAM | 84.031 | GR0030075 | - | 473,739 |
| | NASNTI PROGRAM FY11-FY16 | 84.382 | GR0050034 | - | 422,065 |
| | P031C110087 SECO 2011-2016 | 84.031 | GR0020087 | - | 984,275 |
| | SELDS 2011 TO 2016 | 84.325 | GR0003813 | - | 234,839 |
| | US DEPT OF ED H325K080309 | 84.325 | GR0002762 | - | 9,943 |
| | US EDUC U215K080249 | 84.215 | GR0040093 | - | 4,655 |
| | COLLEGE ASSISTANCE MIGRANT PGM CAMP | 84.149 | GR0004012 | - | 487,593 |
| | TRI-NATIONAL INDIGENOUS RURAL TOURI | 84.116 | GR0003466 | (605) | 38,182 |
| | NM-PASS PREPARING AUTISM SPECTRUM | 84.325 | GR0003504 | - | 217,825 |
| | IMPROVING INSTRUCTION FOR ENGLISH L | 84.365 | GR0003949 | - | 376,063 |
| | TRAINING GRADUATE STUDENTS FOR RESE | 84.002 | GR0004066 | - | 57,876 |
| | NO TIME TO LOSE: A HEAD START TO ST | 84.031 | GR0020081 | - | 681,532 |
| | CONNECTING TO STEM: IDENTIFYING THE | 84.031 | GR0050027 | - | 372,563 |
| | CLASS FOR ALL-NM: CULTURALLY AND LI | 84.325 | GR0004307 | 10,173 | 117,480 |
| | EDUC Direct | | | 9,568 | 4,478,630 |
| National Writing Project | BORDER WRITING PROJECT | 84.928A | GR0000275 | - | 500 |
| | BORDERLANDS WRITING PROJECT | 84.367 | GR0003979 | - | 28,378 |
| | PARTICIPATION IN A HIGH-NEED SCHOOL | 84.367 | GR0004045 | - | 225 |
| State of New Mexico | CP REDISTRIBUTIONS | 84.048 | GR0040145 | - | 53,920 |
| | SC2 IMPROVING TEACHERS' EFFECTIVENE | 84.367 | GR0004037 | - | 9,754 |
| | SC2 IMPROVING TEACHERS' EFFECTIVENE | 84.367 | GR0004290 | - | 116,582 |
| | MATHEMATICALLY CONNECTED MC2 | 84.367 | GR0004038 | - | 63,167 |
| | MATHEMATICALLY CONNECTED MC2 | 84.367 | GR0004291 | - | 59,647 |
| | CARL PERKINS YEAR 5 (12-13) | 84.048 | GR0040135 | - | 259 |
| | NM HED ABE 12-13 FEDERAL | 84.002 | GRF040136 | - | 160 |
| | NM HED ABE FY13 GRANTS | 84.002 | GRF050046 | - | (730) |
| | ABE EL/CIVICS FY13/14 ALAMO | 84.002 | GR0020094 | - | 2,561 |
| | CARL PERKINS FY14 ALAMO | 84.048 | GR0020095 | - | 62,533 |
| | ABE EL/CIVICS FY14 | 84.002 | GR0040141 | - | 63,963 |
| | CARL PERKINS 2013-2014 | 84.048 | GR0040143 | - | 454,363 |
| | NMHED ABE FY13/14 | 84.002 | GRF020094 | - | 84,747 |
| | NM HED ABE FY14 CARLS | 84.002 | GRF030083 | - | 118,011 |
| | NM HED ABE 13-14 FEDERAL | 84.002 | GRF040141 | - | 348,244 |
| | NM HED ABE FY14 GRANTS | 84.002 | GRF050049 | - | 32,790 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|---|---|-------------|-------------------------------------|---------------------------|--------------------|
| INDIVIDUAL AWARDS - OTHER | | | | | |
| University of New Mexico | CARL PERKINS BASIC GRANT 2013-2014 | 84.048 | GR0030084 | - | 45,946 |
| | UNM 208070-8745 | 84.031 | GR0050044 | - | 354,461 |
| | | | EDUC Pass Thru | - | 1,899,479 |
| | DEPARTMENT OF EDUCATION (EDUC) Total | | | 9,568 | 7,355,186 |
| DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) | | | | | |
| | ACF HEALTHY MARRIAGE PROJ | 93.086 | GR0004087 | - | 207,252 |
| | ACF HEALTHY MARRIAGE PROJ | 93.086 | GR0004350 | - | 555,483 |
| | NMSU RISE 5R25GM061222 | 93.859 | GR0002697 | - | 172,170 |
| | DAC HEAD START OPERATIONS, TRAINING | 93.600 | GR0003165 | - | (21,578) |
| | BRIDGES TO THE BACCALAUREATE | 93.859 | GR0003227 | - | 219,019 |
| | SUICIDE PREVENTION AT NMSU | 93.243 | GR0003758 | - | 88,779 |
| | NIH MARC 2T34GM007667-35 | 93.859 | GR0003954 | - | (7,959) |
| | COMPREHENSIVE GERIATRIC EDUCATION P | 93.265 | GR0003980 | - | 254,454 |
| | SCHOLARSHIPS FOR DISADVANTAGED STUD | 93.925 | GR0004078 | - | 225,096 |
| | DAC HEAD START OPERATIONS FY13-14 | 93.600 | GR0004097 | - | 1,623,401 |
| | GRADUATE PSYCHOLOGY EDUCATION | 93.191 | GR0002527 | - | 11,483 |
| | FDA 1R13FD003952 | 93.103 | GR0003530 | - | 9,000 |
| | NIH MARC5T34GM007667-36 | 93.859 | GR0004225 | - | 483,227 |
| | NMSU RISE TO THE POSTDOCTORATE PRGM | 93.859 | GR0004343 | - | 650,499 |
| | NIH MARC5T34GM007667-37 | 93.859 | GR0004481 | - | 88,881 |
| | SCIENCE TOOLS IN THE CLASSROOM (STC | 93.351 | GR0004482 | - | 18,571 |
| | | | HSS Direct | - | 4,577,777 |
| Joslin Diabetes Center, Inc. | PATHWAYS TO BETTER HEALTH THROUGH A | 93.610 | GR0004133 | - | 70,575 |
| Molina Healthcare, Inc. | HEALTH PLANS PREVENTING DIABETES AN | 93.739 | GR0004165 | - | 88,834 |
| State of New Mexico | GSA 10-630-9000-0013 | 93.558 | GR0003018 | - | (865) |
| | TITLE IV-B PROGRAM | 93.556 | GR0004031 | - | 7,290 |
| | TITLE IV-B PROGRAM | 93.556 | GR0004283 | - | 149,565 |
| | CAPT CHILD & FAMILY SERVICES TRAINI | 93.669 | GR0004285 | - | 39,868 |
| | NM CYFD TITLE IV-E FY13 | 93.658 | GR0003975 | - | (3,498) |
| | CHILDREN'S LAW INSTITUTE FY13 | 93.556 | GR0004071 | - | 9,965 |
| | ABSTINENCE EDUCATION PROJECT SWAG | 93.235 | GR0004128 | 188,504 | 287,781 |
| | NM CYFD TITLE IV-E FY14 | 93.658 | GR0004274 | - | 1,083,365 |
| | COURT IMPROVEMENT PROJECT, CHILDREN | 93.586 | GR0004284 | - | 22,567 |
| | CYFD IMPROVE INVESTIGATION & GATHER | 93.643 | GR0004296 | - | 2,868 |
| | SWAG YEAR 2 | 93.235 | GR0004361 | 189,234 | 265,312 |
| | NEW MEXICO SYSTEMS OF CARE | 93.104 | GR0004423 | - | 298,236 |
| | INDEPENDENT LIVING YOUTH CONFERENCE | 93.674 | GRF004240 | - | 32,000 |
| The Research Foundation for SUNY | HISPANIC CHILD WELFARE TRAINING PRO | 93.648 | GR0004080 | - | 63,242 |
| | FEDERAL AHEC FY12 | 93.107 | GR0004125 | - | 13,318 |
| | NM PUBLIC HEALTH LEARNING COLLABORA | 93.544 | GR0004044 | - | 4,790 |
| | ACADEMIC SCIENCE EDUCATIONS AND REA | 93.859 | GR0003214 | - | 13,383 |
| | MOA ALCOHOL ABUSE PREVENTION | 93.959 | GR0004309 | - | 8,954 |
| | FEDERAL AHEC FY14 | 93.107 | GR0004398 | - | 49,602 |
| University of Tennessee | NAT'L FOOD SAFETY CURRICULUM | 93.103 | GR0003857 | - | 49,668 |
| | | | HSS Pass Thru | 377,738 | 2,556,820 |
| | DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total | | | 377,738 | 7,134,597 |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) | | | | | |
| | SUMMER INNOVATION PROG | 43.001 | GR0004247 | - | 3,624 |
| | NASA TRAINING GRANT ANNOUNCEMENT | 43.001 | GR0003400 | 185,713 | 601,514 |
| | SUMMER OF INNOVATION: LAUNCH AND LE | 43.xx | GR0003307 | - | 212,345 |
| | NASA NNX07AO42A | 43.xx | GR0002485 | - | (1,135) |
| | | | NASA Direct | 185,713 | 816,348 |
| Jacobs Technology Inc. | COOP ED AGREEMENT 5/11/11 | 43.xx | GR0003671 | - | 72,684 |
| Paragon TEC | NASA SEMAA 2013 | 43.xx | GR0004052 | - | 41,556 |
| | | | NASA Pass Thru | - | 114,239 |
| | NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) Total | | | 185,713 | 930,587 |
| DEPARTMENT OF COMMERCE (DOC) | | | | | |
| DOC Economic Development Cluster | | | | | |
| | I6 ARROWHEAD INNOVATION NETWORK (AI | 11.307 | GR0004108 | 47,795 | 407,642 |
| | | | Economic Development Cluster | 47,795 | 407,642 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|--|--|-------------|---------------|---------------------------|--------------------|
| INDIVIDUAL AWARDS - OTHER | | | | | |
| | THE NEW MEXICO REGIONAL COMMERCIAL | 11.303 | GR0004316 | - | 69,616 |
| | | | DOC Direct | - | 69,616 |
| Southwest New Mexico Council of Governments | COMPREHENSIVE ECONOMIC DEV STRATEGY | 11.302 | GR0004359 | - | 16,490 |
| | | | DOC Pass Thru | - | 16,490 |
| | DEPARTMENT OF COMMERCE (DOC) Total | | | 47,795 | 493,748 |
| DEPARTMENT OF HOMELAND SECURITY (DHS) | | | | | |
| | EMW-2011-SS-00051-NMSU | 97.042 | GR0003888 | - | (3,063) |
| | NMHSEM CONFERENCE AUGUST 2013 | 97.067 | GR0004189 | - | 64,556 |
| | 2012 EMERGENCY MANAGEMENT PERFORMAN | 97.042 | GR0004259 | - | 280,707 |
| | MARCH 2014-NMDHSEM-AG EXERCISE | 97.042 | GR0004412 | - | 36,024 |
| | | | DHS Direct | - | 378,224 |
| Texas A&M University | ENHANCED PASSIVE SURVEILLANCE PLAN- | 97.xx | GR0004008 | - | 11 |
| University of Tennessee | RESPONSE TO AN EXPANDED ALL-HAZARDS | 97.005 | GR0004414 | - | 9,933 |
| | ISOLATION AND QUARANTINE RESPONSE S | 97.005 | GR0004416 | - | 9,933 |
| | | | DHS Pass Thru | - | 19,877 |
| | DEPARTMENT OF HOMELAND SECURITY (DHS) Total | | | - | 398,101 |
| ENVIRONMENTAL PROTECTION AGENCY (EPA) | | | | | |
| | EPA PEST MANAGEMENT | 66.700 | GR0003782 | - | 25,996 |
| | FY11 P2 NP-00F40101 | 66.708 | GR0003794 | - | 41,112 |
| | 13/15 US EPA | 66.700 | GR0004347 | - | 279,413 |
| | | | EPA Direct | - | 346,522 |
| Border Environment Cooperation Commission (BECC) | HEALTHY HOMES | 66.931 | GR0004317 | - | 24,721 |
| IPM institute of North America Inc | PRIA SCHOOL IPM GRANT | 66.716 | GR0003829 | - | 229 |
| | | | EPA Pass Thru | - | 24,949 |
| | ENVIRONMENTAL PROTECTION AGENCY (EPA) Total | | | - | 371,471 |
| DEPARTMENT OF ENERGY (DOE) | | | | | |
| | USE OF MASS-FLUX MEASUREMENT AND VA | 81.079 | GR0004281 | - | 20,980 |
| | CEMRC WIPP-EM | 81.104 | GR0004357 | - | 83,029 |
| | | | DOE Direct | - | 104,009 |
| Los Alamos National Security LLC | NM SMALL BUSINESS ASSISTANCE | 81.xx | GR0003570 | - | 62,143 |
| Sandia Corporation | SANDIA - NMSBA 2012 | 81.xx | GR0003872 | - | 68,643 |
| | | | DOE Pass Thru | - | 130,786 |
| | DEPARTMENT OF ENERGY (DOE) Total | | | - | 234,795 |
| DEPARTMENT OF TRANSPORTATION (DOT) | | | | | |
| | COMMERCIAL MOTOR VEHICLE OPERATOR S | 20.235 | GR0040139 | - | 127,740 |
| | | | DOT Direct | - | 127,740 |
| State of New Mexico | NM DOT BINS/BGIS M01068 | 20.200 | GR0003678 | - | 3,925 |
| | | | DOT Pass Thru | - | 3,925 |
| | DEPARTMENT OF TRANSPORTATION (DOT) Total | | | - | 131,665 |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) | | | | | |
| | HSIAC-09-NM-32 | 14.514 | GR0040103 | - | 75,932 |
| | | | HUD Direct | - | 75,932 |
| Dona Ana County | WEB-BASED DATABASE CREATION, POPULA | 14.xx | GR0004114 | - | 21,317 |
| | | | HUD Pass Thru | - | 21,317 |
| | DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) Total | | | - | 97,249 |
| SMALL BUSINESS ADMINISTRATION (SBA) | | | | | |
| State of New Mexico | NM SBDC FY13 | 59.037 | GRF020091 | - | (48) |
| | NM SBDC FY14 | 59.037 | GRF020096 | - | 21,688 |
| | NMSBDC 2013-14 | 59.037 | GRF030082 | - | 19,585 |
| | SBDC DACC FY14 | 59.037 | GRF040142 | - | 21,681 |
| | SBDC GRANTS FY14 | 59.037 | GRF050048 | - | 18,794 |

Schedule 7 - Schedule of Expenditures of Federal Awards

| Name of Program / Agency | Award Title | CFDA Number | Grant Code | Subrecipient Expenditures | Total Expenditures |
|--|--|----------------|---------------|------------------------------|-----------------------|
| INDIVIDUAL AWARDS - OTHER | | | | | |
| | | | SBA Pass Thru | - | 81,699 |
| | SMALL BUSINESS ADMINISTRATION (SBA) Total | | | - | 81,699 |
| DEPARTMENT OF LABOR (DOL) | | | | | |
| | TAACCCT | 17.282 | GR0040132 | - | 31,678 |
| | | | DOL Direct | - | 31,678 |
| | DEPARTMENT OF LABOR (DOL) Total | | | - | 31,678 |
| DEPARTMENT OF JUSTICE (DOJ) | | | | | |
| | DEA FORFEITURE FY13/14 | 16.001 | GR0003991 | - | 10,810 |
| | | | DOJ Direct | - | 10,810 |
| State of New Mexico | THE ENFORCMENT OF UNDERAGE DRINKING | 16.727 | GR0004478 | - | 4,429 |
| | | | DOJ Pass Thru | - | 4,429 |
| | DEPARTMENT OF JUSTICE (DOJ) Total | | | - | 15,240 |
| NATIONAL ENDOWMENT FOR HUMANITIES (NEH) | | | | | |
| | NEH ENDURING QUESTIONS ON "WHAT IS | 45.163 | GR0003925 | - | 9,824 |
| | | | NEH Direct | - | 9,824 |
| | NATIONAL ENDOWMENT FOR HUMANITIES (NEH) Total | | | - | 9,824 |
| DEPARTMENT OF INTERIOR (DOI) | | | | | |
| | CROP COEFFICIENTS FOR THE MIDDLE RI | 15.557 | GR0004138 | - | (269) |
| | | | DOI Direct | - | (269) |
| | DEPARTMENT OF INTERIOR (DOI) Total | | | - | (269) |
| | TOTAL INDIVIDUAL AWARDS OTHER | | | 1,068,163 | 22,034,772 |
| | TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 14,972,870 | \$ 165,393,770 |

Schedule 7 - Schedule of Expenditures of Federal Awards

Reconciliation to Statement of Revenues, Expenditures and Changes in Net Assets

| | |
|---|------------------------------|
| Federal Awards: | |
| Federal Appropriations, Grants and Contracts | \$ 157,349,263 |
| Portion of Capital Grants, Gifts and other Income related to Federal Awards | 8,024,901 |
| | <u>165,374,164</u> |
| Plus reconciling items: | |
| Net excess revenues recognized over expenses recognized | 19,606 |
| Federal Expenditures per Schedule 7 | <u><u>\$ 165,393,770</u></u> |

Notes to Schedule of Expenditures of Federal Awards**Note A:** Basis Of Presentation

The accompanying schedule of expenditures of Federal Awards (the schedule) includes the federal grant activity of the University under programs of the Federal Government for the year ended June 30, 2014. The information in this schedule is presented in accordance with OMB circular A-133, *Audits of states, local governments, and non-profit organizations*. Because the schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note B: Significant Accounting Policies:

The accompanying Schedule of Expenditures of Federal Awards follows the accounting policies presented in Note 2 of the Notes to Financial Statements.

Note C:

Federal Direct Student Loans, CFDA # 84.268. During the fiscal year ending June 30, 2014, the University processed \$66,189,988 in new loans under the Direct Student Loan Program (which includes Stafford Loans and Parents' Plus Loans).

Note D:

During the fiscal year ending June 30, 2014, the value of federal funds made available in the form of non-cash assistance to grant NASA NRA SEC 2.5 T2 - CFDA # 43.002 totaled \$501,675.

Note E:

Federal Perkins Loan Program, CFDA # 84.038. Perkins loans awarded for the year ending June 30, 2014 totaled \$2,396,132, and the outstanding student loan balances under the Federal Perkins Loan Program was \$14,419,741.

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

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of New Mexico State University ("University") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 30, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of an other matter which is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2014-001.

The University's Response to Finding

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mess Adams LLP

Albuquerque, New Mexico
October 30, 2014

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited New Mexico State University's (the "University") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2013. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-002 and 2014-003. Our opinion on each major federal program is not modified with respect to this matter.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a

The Board of Regents
New Mexico State University
and
Mr. Hector Balderas
New Mexico State Auditor

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
October 30, 2014

Summary Schedule of Prior Audit Findings

2013-001 (13-01) Student Financial Assistance – Enrollment Reporting (Significant Deficiency)

Current Status: Resolved.

Schedule of Findings and Questioned Costs

Part I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified? Yes None Reported
- Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified? Yes None Reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes No

Identification of Major Federal Programs:

| CFDA Number | Name of Federal Program or Cluster |
|--------------------|---|
| Various | Research and Development Cluster |
| Various | Student Financial Assistance Cluster |
| 10.500 | Cooperative Extension Service |
| 12.599 | Congressional Directed Assistance |

Dollar threshold used to distinguish between type A and type B programs

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No

Schedule of Findings and Questioned Costs (continued)**Part II—Financial Statement Findings Section****2014-001: Internal Controls over Accounts Payable (Finding that does not rise to the level of significant deficiency)****CONDITION**

The University's process for identifying and accruing accounts payable at fiscal year-end was not effectively designed to ensure all transactions were properly recorded. For one of 19 expenses reviewed that was expended subsequent to fiscal year end, the expense was incurred prior to June 30, 2014; however, it was not properly accrued in accounts payable. The total amount of the transaction was \$251,458.

CRITERIA

Management is responsible for establishing and maintaining effective internal controls to ensure financial information is properly reported. The National Council on Governmental Accounting (NCGA) Statement 1 requires the proprietary fund expenses to be recognized on the accrual basis of accounting. Therefore, expenses should be recognized in the period incurred for the financial statements to be presented in accordance with generally accepted accounting principles (GAAP).

EFFECT

The internal control process over accounts payable did not identify a transaction that should have been accrued as a liability. Due to the current review process the University could potentially be understated accounts payable were identified to be recorded in the financial statements.

CAUSE

The University's process for accruing accounts payable included reviewing expenses made subsequent to year-end with a received date prior to fiscal year end (June 30, 2014). In some cases, the received date in the system was not accurate and did not agree to the received date noted in the supporting documentation. As a result, the population of potential accounts payable was not complete.

RECOMMENDATION

The University should review the process for entering the received date in the computerized system to ensure the date entered is accurate and the potential population of accounts payable is complete.

MANAGEMENT RESPONSE

The University has established fiscal year-end processes including departmental verification of receipt of goods and services necessary to prepare the year-end accrual entry for accounts payable. To strengthen existing year-end processing policies and procedures, the University will update related documentation and training to emphasize the importance of and the proper process for entering accurate received dates into the system to ensure transactions are properly recorded.

Part III—Federal Award Findings and Questioned Costs Section**2014-002 Student Financial Aid – Eligibility (Finding that does not rise to the level of significant deficiency/immaterial instance of non-compliance)***Federal program information*

Funding agency: U.S. Department of Education
Title: Student Financial Assistance Cluster
CFDA Number: 84.063

CONDITION

As part of our compliance testwork over Student Eligibility, we selected 25 students to test Eligibility Compliance Requirements. As a result of this testwork, we could not verify that one student was notified in writing of their Financial Aid Award Package.

CRITERIA

Per 34 CFR section 668(a)(1) - the institution is required to notify the students about the amount if Title IV aid the student will receive from each program before any aid is disbursed. Also, per A-133 Compliance Requirements under Title IV Programs (5-3-25)(e), "institutions must deliver the process to the student or borrower or credit the student's account, notifying the student or parent borrower in writing"

QUESTIONED COSTS

None

EFFECT

Student was not notified of their Federal Aid Award Package.

CAUSE

The University could not generate a written award letter for the selected student. This caused a lack of support to verify written notification of the award package.

RECOMMENDATION

We recommend the University diligently review controls to ensure documentation of award packages are maintained.

MANAGEMENT RESPONSE

In accordance with Federal Student Aid regulations and 34 CFR 668.41(b), NMSU notifies students of financial aid awards through electronic forms of communication. NMSU's standard practice is to 1) issue a hard-copy letter, 2) issue an email to the student's NMSU email address and 3) post the awards in the student self service module of Banner (my.nmsu.edu) for the student to accept or decline. While we cannot confirm the hard-copy letter was issued, we feel that the requirement was met in that the student received an email notification, subsequently accepted or declined the various aid awarded, and received a disbursement notification.

Schedule of Findings and Questioned Costs (continued)**2014-003 Research and Development Cluster - Suspension and Debarment (Finding that does not rise to the level of significant deficiency/immaterial instance of non-compliance)***Federal program information*

Funding agency: U.S. Department of Energy
Title: Research and Development Cluster
CFDA Number: 81.104

CONDITION

A total of eleven vendor files were reviewed to ensure the University complied with the procurement and suspension and debarment compliance requirement for award DE-EM0002423. For one of the vendors reviewed, suspension and debarment was not performed for a purchase costing \$29,040 that utilized a state purchasing contract.

CRITERIA

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. In addition, when a non-federal entity enters into a covered transaction with a vendor, the non-federal entity must verify that the vendor, as defined in 2 CFR section 180.995, is not suspended or debarred or otherwise excluded from participating in the transaction.

QUESTIONED COSTS

None.

EFFECT

The University's procedures were not applied to all purchases in excess of \$25,000, which could have resulted in expending federal money with a vendor that was suspended or debarred.

CAUSE

The University's procedures were to perform suspension and debarment searches for expenditures with vendors in excess of \$100,000.

RECOMMENDATION

The University should update their procurement checklists and procedures to be in compliance with Federal grant requirements.

MANAGEMENT RESPONSE

Central Purchasing (CPO) will immediately update all documentation, checklists, policies and procedures to reflect applicable Federal Acquisition Regulation flow-down clause dollar thresholds where mentioned specifically. CPO will annually review dollar thresholds to ensure the current and applicable amounts are included in the established review process. In addition, the CPO will subscribe to a list-serve or service that will provide updates on changes to Federal purchasing guidelines that occur between the annual reviews.

Part IV—Other Findings and Recommendations

None

A closing conference was held on October 30, 2014, to discuss the current audit report and current and prior year auditors' comments. In attendance were the following individuals:

Representing the Board of Regents for New Mexico State University

| | |
|-----------------|----------------------------------|
| Kari Mitchell | Vice Chair |
| Javier Gonzales | Member |
| Jim Bullock | Audit Committee Community Member |
| Brad Beasley | Audit Committee Community Member |

Representing New Mexico State University

| | |
|--------------------|--|
| Garrey Carruthers | President |
| Daniel Howard | Executive Vice President and Provost |
| Angela Throneberry | Senior Vice President for Administration and Finance |
| Anna Price | Associate Vice President for Budget & Finance/Controller |
| Ross Justus | Chief Audit Executive |
| Lizbeth Ellis | General Counsel |

Representing New Mexico State University Component Units

| | |
|--------------------|---|
| Cheryl Harrelson | Vice President for University Advancement/President NMSU Foundation, Inc. |
| Tina Byford | Associate Vice President for Advancement and Financial Services |
| Kathryn Hansen | Director, Arrowhead Center |
| Angela Throneberry | Treasurer for Arrowhead |

Representing Moss Adams, LLP

| | |
|----------------|---------------|
| Lisa Todd | Partner |
| Sandy Schwank | Audit Manager |
| Heather Lucero | Audit Senior |

Representing Office of the State Auditor

| | |
|-------------------|-------------------------|
| Carla Martinez | Deputy State Auditor |
| Melissa Sprangler | Financial Audit Officer |
| Sara Specht | Audit Supervisor |

The University's management prepared the Financial Statements. The University is responsible for the Financial Statements and its contents.