

Financial Statements and Schedules



2015

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NEW MEXICO STATE UNIVERSITY

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June 30, 2015**

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November 5, 2015

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, 2015. The accompanying financial statements of the University include a separate column entitled Discrete Component Unit representing the New Mexico State University Foundation, Inc. KPMG LLP, independent auditors, have examined the financial statements and their unmodified opinion is displayed beginning on page 3 of the report.

During the past fiscal year, the University continued to navigate through the on-going financial challenges and issues facing higher education including enrollment declines and pressure on federal and state support. Guided by the University's Vision 2020 Strategic Plan, we have been effective in utilization of resources focused on high priority initiatives and achieving necessary expenditure reductions with minimal effect on our core mission. For the fiscal year ended June 30, 2015, the University's total net position decreased by \$8 million from increases in total assets and total liabilities. The financial statements also reflect the recognition of a pension liability associated with implementation of the Governmental Accounting Standards Board (GASB) Statement No. 68 resulting in total net position significantly reduced from prior year's presentation.

Capital investment in our beautiful campuses continues as we recently completed the Hardman and Jacobs Undergraduate Learning Center, the Pete V. Domenici Hall and the Corbett Center Student Union renovation. In addition, major facility projects are either currently in design or underway for Jett Hall and Jett Annex, Rentfrow Hall, Doña Ana Community College Gadsden Center – Phase III and the Grants Community College Teacher, Health Care, Education and Child Development Center.

The new academic year is well underway and the University recently announced an ambitious project of Transforming NMSU into a 21st Century University. Through this comprehensive improvement effort focused on redefining our organizational structure and operational models, we will stabilize management and operating budgets positioning us to redirect savings to strategic areas. With the combined talents, dedication and support of our Regents, faculty, staff, students and friends, I am confident we will succeed in achieving our project goals and transition into an even stronger University. As always, NMSU remains committed to serving as a leader at a state, national and international level, in achievement of our mission of instruction, research, extension education and public service.

Sincerely,



Garrey Carruthers, Ph.D.
Chancellor



KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

Independent Auditors' Report

The Board of Regents
New Mexico State University
and
Mr. Timothy Keller
New Mexico State Auditor:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of New Mexico State University (the University), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements 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 U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 entity'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.

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



Opinion

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 New Mexico State University, as of June 30, 2015, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in note 2 to the financial statements, effective July 1, 2014, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in note 2 to the financial statements, the University has elected to change its method of presenting its discrete component unit.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management’s Discussion and Analysis, the schedule of Funding Progress and Employer Contributions – Other Post Employment Benefits (schedule 7) and the schedule of Proportionate Share of Net Pension Liability and Employer Contributions (schedule 8) on pages 7–16, 73 and 74 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.

Supplementary and 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. The accompanying combining statement of net position as of June 30, 2015 for the primary institution (schedule 1), combining statement of revenues, expenses, and changes in net position for the year ended June 30, 2015 (schedule 2), budget comparison schedules as of June 30, 2015 (schedule 3), bank balances, pledged collateral requirements, and pledged collateral by financial institution (schedule 4), joint powers of agreement (JPA) and memorandums of understanding (MOU) (schedule 5), schedule of vendors exceeding \$60,000 in expenditures (schedule 6), and the schedule of expenditures of federal awards (schedule 9) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of net position as of June 30, 2015 for the primary institution (schedule 1), combining statement of revenues, expenses, and changes in net position for the year ended June 30, 2015 (schedule 2), budget comparison schedules as of June 30, 2015 (schedule 3), bank balances, pledged collateral requirements, and pledged collateral by financial institution (schedule 4), joint powers of



agreement (JPA) and memorandums of understanding (MOU) (schedule 5), and schedule of expenditures of federal awards (schedule 9) are the responsibility of management and were derived from and relate 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 combining statement of net position for the year ended June 30, 2015 for the primary institution (schedule 1), combining statement of revenues, expenses, and changes in net position for the year ended June 30, 2015 (schedule 2), budget comparison schedules as of June 30, 2015 (schedule 3), bank balances, pledged collateral requirements, and pledged collateral by financial institution (schedule 4), joint powers of agreement (JPA) and memorandums of understanding (MOU) (schedule 5), and schedule of expenditures of federal awards (schedule 9) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of schedule of vendors exceeding \$60,000 in expenditures (schedule 6) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2016 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.

KPMG LLP

Albuquerque, New Mexico
February 12, 2016

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Management's Discussion and Analysis For the Year Ended June 30, 2015 (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) financial activities for the fiscal years ended June 30, 2015 and 2014. 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, federal Pell Grant revenue, state lottery scholarship revenue, local tax levy 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, 2015 and 2014, the University's financial position was as follows (in thousands):

Condensed Net Position (Note 1)

	June 30, 2015	June 30, 2014
ASSETS		
Current assets	\$ 95,345	\$ 93,004
Capital assets, net	506,109	494,240
Other non-current assets	230,747	249,866
TOTAL ASSETS	832,201	837,110
DEFERRED OUTFLOWS OF RESOURCES	32,881	16,740
LIABILITIES		
Current liabilities	73,134	60,376
Pension liability	431,412	444,844
Other Non-current liabilities	174,474	183,261
TOTAL LIABILITIES	679,020	688,481
DEFERRED INFLOWS OF RESOURCES	45,877	250
NET POSITION		
Net Investment in capital assets	386,895	375,149
Restricted	120,518	120,344
Unrestricted	(367,228)	(347,114)
TOTAL NET POSITION (Note 2)	\$ 140,185	\$ 148,379

Condensed Revenues, Expenses, and Changes in Net Position (Note 1)

OPERATING REVENUES		
Federal appropriations, grants, and contracts	\$ 106,972	\$ 108,975
Student tuition and fees (net)	72,404	72,450
Other operating revenues	60,572	64,532
TOTAL OPERATING REVENUES	239,948	245,957
OPERATING EXPENSES		
Instruction	149,097	147,828
Research	106,275	107,812
Other operating expenses	304,539	292,567
TOTAL OPERATING EXPENSES	559,911	548,207
Net operating loss	(319,963)	(302,250)
Non-operating revenues and expenses	285,238	295,751
Loss before other revenues	(34,725)	(6,499)
Other revenues	26,531	26,867
(Decrease) Increase in net position	(8,194)	20,368
Net position at beginning of year (Note 2)	148,379	128,011
Net position at end of year	\$ 140,185	\$ 148,379

Note 1: Certain reclassifications were made to 2014 information to conform to 2015 presentation.

Note 2: Net position for 2014 has been adjusted to recognize the Net Pension Liability adjustment discussed herein.

General Overview for 2015 and 2014

In fiscal year 2015, total assets of the institution decreased by \$4.9 million and liabilities decreased by \$9.5 million. The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* was implemented and resulted in the recognition of a pension liability equal to the University's portion of the net pension liability of the Educational Retirement Board's (ERB) Pension Plan. The net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension plan are reflected in the financial statements for the first time. As expected, the recognition of this liability results in the University's net position being significantly reduced from what was reported in prior years.

The more significant changes in the Statement of Net Position include:

- ✚ Decrease in Investments of \$18.7 million, primarily due to a reduction in Agency Securities held by the University.
- ✚ Increase in Capital assets, net of \$11.9 million due to the several major construction and infrastructure projects being capitalized during the year.
- ✚ Increase in Accounts payable of \$5.9 million, largely due to payables due on restricted grants and contracts and on construction projects in process.
- ✚ Decrease in Long-term liabilities of \$7.6 million, due primarily to principal payments made on outstanding revenue bonds.
- ✚ Deferred outflows of resources increased by \$32.9 million while deferred inflows of resources increased by \$45.6 million. These items are related to the implementation of GASB 68.

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

Primary components which added to the \$8.2 million net decrease include:

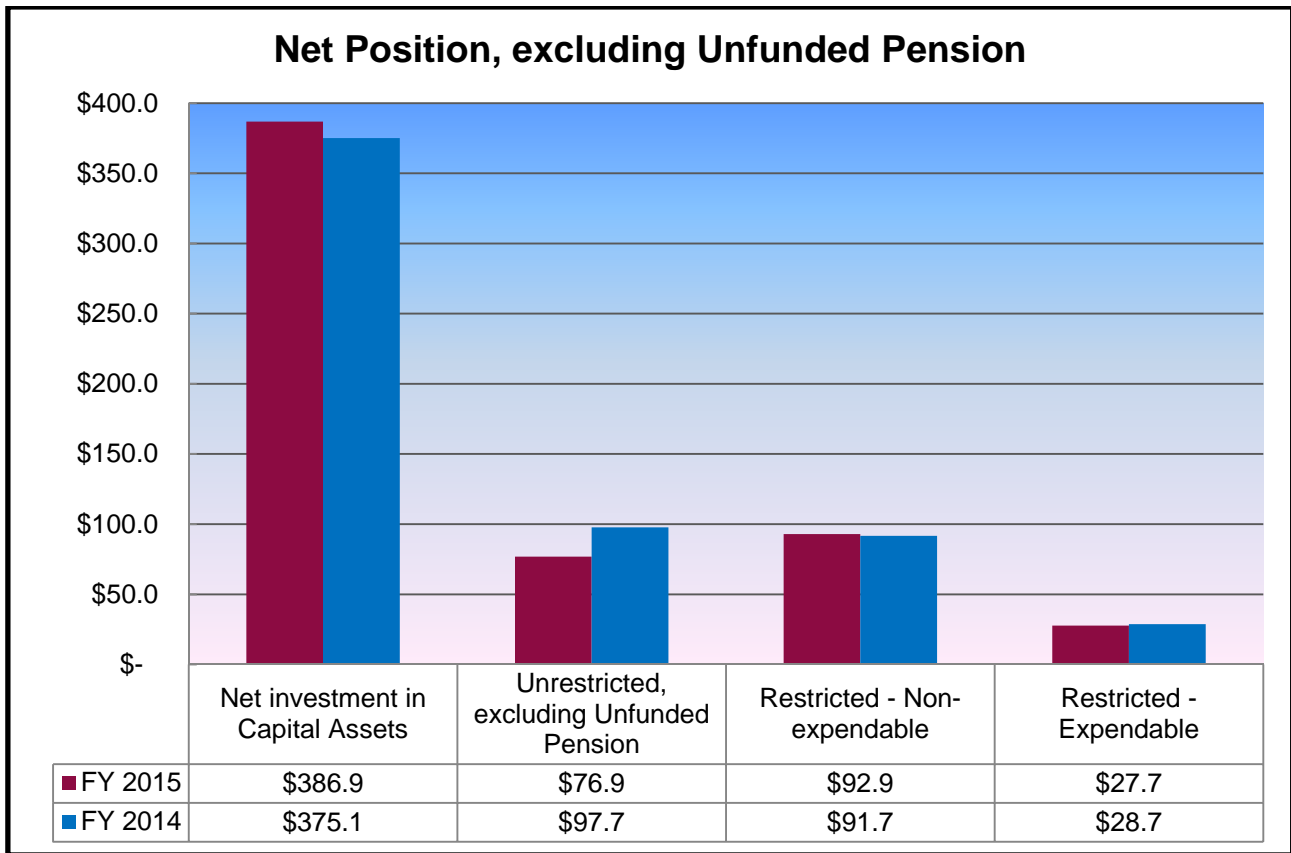
- ✚ Decreases in Federal appropriations, grants and contracts of \$5.6 million, Investment income of \$10.4 million, and Capital grants, gifts and other income of \$6.3 million.
- ✚ A decrease in Additions to permanent endowments of \$6.4 million.
- ✚ An increase in Operation and Maintenance of plant expense of \$12.1 million largely attributed to expenditures made related to the University's energy performance contract.

These decreases were offset in part by the following:

- ✚ An increase in several revenue sources: State appropriations of \$10.7 million, Capital appropriations of \$12.4 million, gifts and non-exchange transactions of 3.8 million.
- ✚ A decrease in the expense categories of Scholarships and Fellowships of \$5.2 million, primarily as a result of decreased federal funding as well as decreases in Student services and Auxiliary services.

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 Payments to employees and for employee benefits.

The following graph illustrates the comparison of net position (in millions) by category for fiscal years 2015 and 2014. The effect of the implementation of GASB 68 related to the net unfunded pension liability has been excluded from the graph to provide a clearer picture of the unrestricted net position.



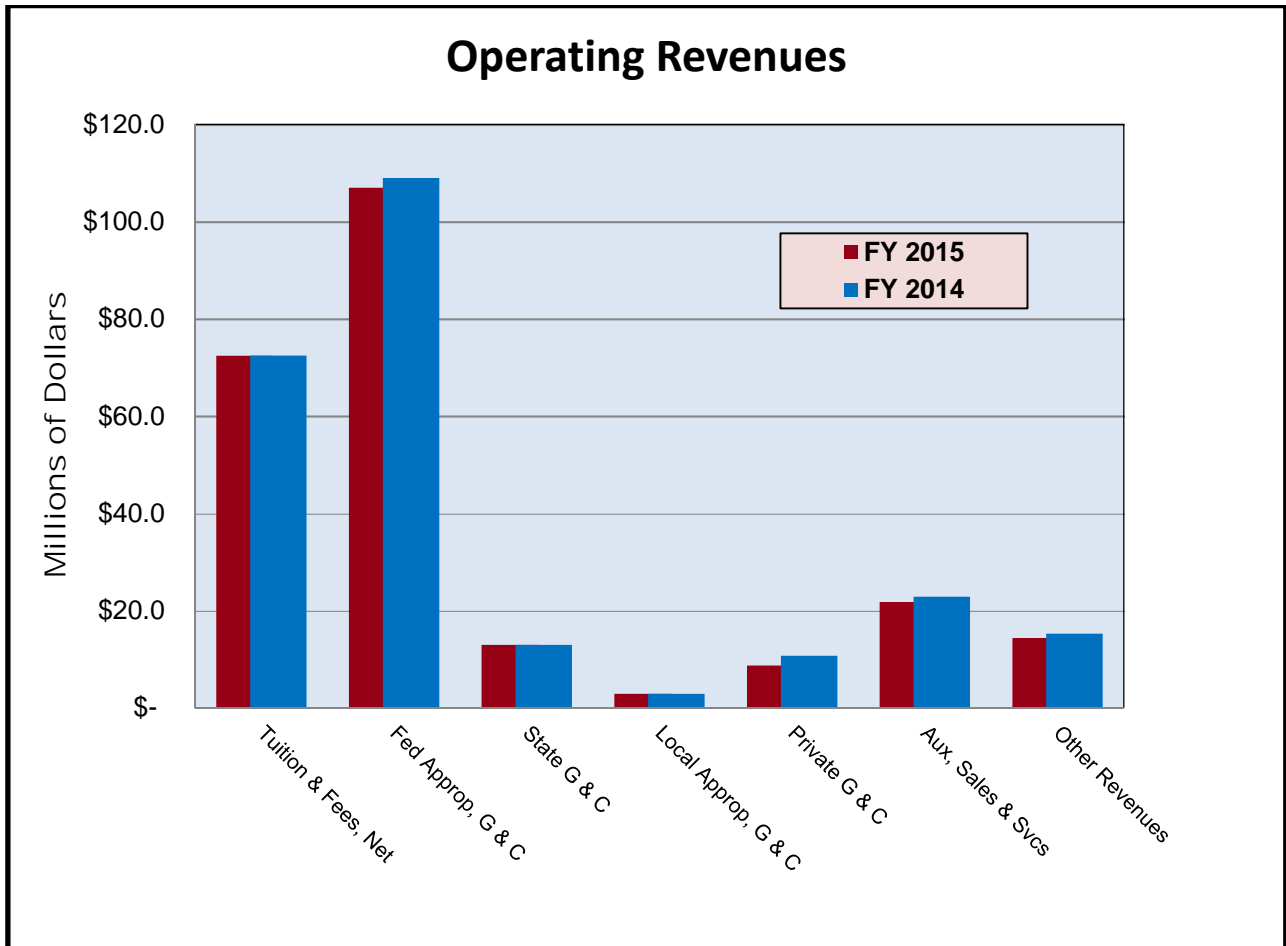
Operating Revenues for 2015 and 2014

Student tuition and fees (net), one of the larger operating revenue sources, decreased slightly in fiscal year 2015. Other components of operating revenue also decreased, including Federal appropriations, grants and contracts, Non-governmental grants and contracts, Sales and services, and Other operating revenues. The decrease in these sources was offset by an increase in Auxiliary Enterprises, net revenues. The categories of State grants and contracts and Local appropriations, grants and contracts, were basically flat.

The net operating loss for fiscal year 2015 was \$319.9 million and was greater than the fiscal year 2014 operating loss of \$302.2 million by \$17.7 million. Operating revenues decreased by \$6.0 million. The most significant changes in Operating revenues were as follows:

- ✚ Decrease in Non-governmental grants and contracts of \$2.0 million (18.7%), due primarily to reduction in the Go-Teacher Certificate Program managed by International and Border Programs.
- ✚ Decrease in Federal appropriations, grants and contracts of \$2.0 million (1.8%). The primary contributors to this decrease are the following sources: NASA (\$7.2 million) related to the Columbia Scientific Balloon Facility contract; Department of Interior (\$1.4 million), and the Department of Energy (\$2.2 million). These funding decreases were offset, in part, by increased funding from the Department of Health and Human Services (\$3.9 million); the Department of Defense (\$3.4 million); and the US Department of Agriculture (\$2.8 million).
- ✚ Decrease of \$1.5 million in Sales and Services revenue due primarily to decreased sales within the Agriculture Experiment Stations and Intercollegiate Athletics.

The following graph illustrates a comparison of operating revenues (in millions) by type for fiscal years 2015 and 2014.

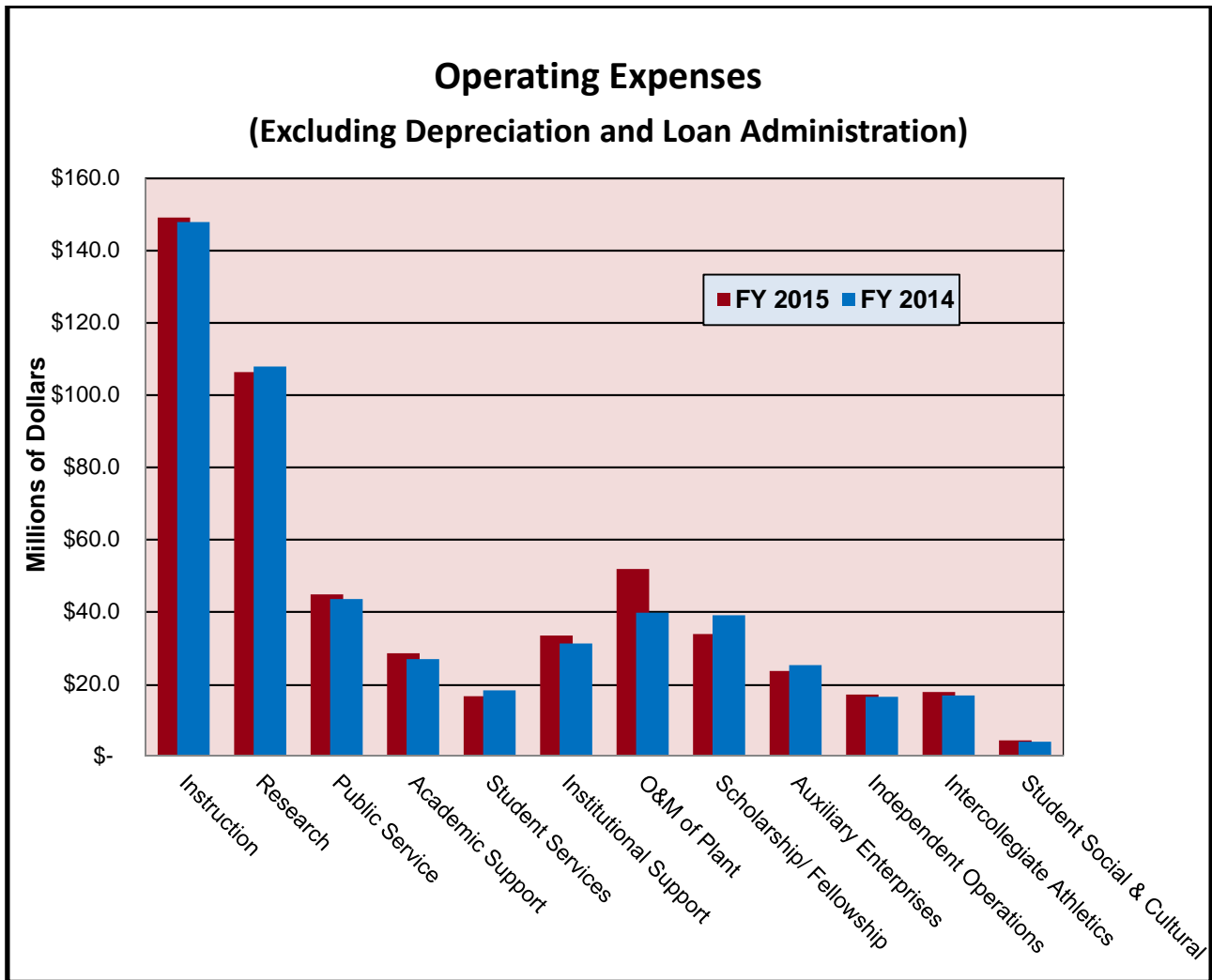


Operating Expenses for 2015 and 2014

The largest dollar changes in operating expense were as follows:

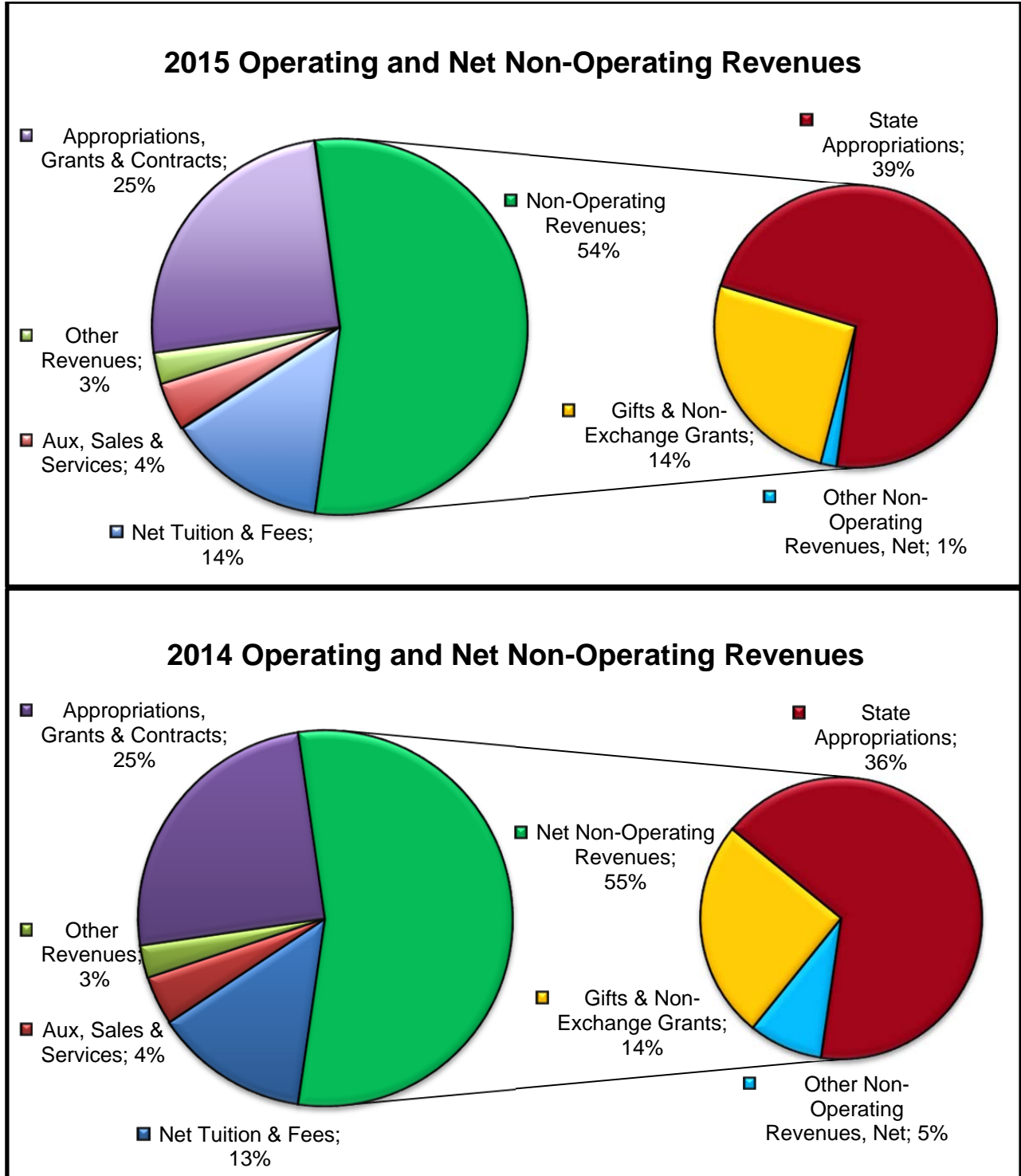
- ✚ Increase in Operation and maintenance of plant expense of \$12.0 million which was due primarily to increased expenditures on the Las Cruces campus related to the Guaranteed Utility Savings Contract entered into with Ameresco.
- ✚ This increase was offset, in part, by the reduction of Scholarships and fellowships expense of \$5.2 million (13.3%). This decrease is due to declines in Federal Pell awards resulting from declines in enrollment. Federal work-study was also lower in 2015 as was the state Lottery scholarship which was also reflective of the enrollment.

The following graph illustrates a comparison of operating expense (in millions) by function, excluding depreciation and loan administration, for fiscal years 2015 and 2014.



The Statement of Revenues, Expenses, and Changes in Net Position reflects a Net loss before other revenues of \$34.7 million and \$6.5 million in fiscal years 2015 and 2014, respectively.

The following graphs reflect the University's sources of revenue available to meet current operating costs for fiscal years 2015 and 2014.



Capital Asset and Debt Administration

The increase in capital assets during fiscal year 2015 can be attributed primarily to the construction costs for the Hardman and Jacobs Undergraduate Learning Center (\$12.3 million) and the major renovation of the Corbett Center Student Union (\$7.2 million), as well as the completion of the Pete V. Domenici Hall (\$3.0 million), and the installation of artificial stadium turf (\$1.3 million). In addition to construction costs, there were increases in capital assets related to capital equipment purchases (\$8.4 million) and capital library purchases (\$3.3 million), offset by equipment, library, and software retirements (\$7.4 million).

The increase in capital assets during fiscal year 2014 can be attributed primarily to the ongoing construction costs for the 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 Hardman and Jacobs Undergraduate Learning Center (\$1.6 million). The Information and Communications Technologies 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.

Budget Comparison

In comparing the total original budgeted revenue to the revised budgeted revenue for fiscal year 2015, there was a net decrease of approximately \$2.5 million, and an increase of approximately \$5.2 million in revised budgeted expenditures. The most significant changes to the revenue budget were in tuition and fees which was adjusted due to the enrollment decline, a decrease in federal grants and contracts due to the loss of a large NASA grant in the Physical Science Laboratory, and a reduction in funding for the Pell grant program which correlates with the enrollment decline. The decreases were partially offset in the capital outlay budget in anticipation of increased progress on capital projects. The decrease in budgeted expenditures relates primarily to expenditures related to the NASA contract and the Pell grant program discussed above. The decreases were offset by an increase in the capital outlay budget which was increased to allow sufficient expenditure authority for capital projects in process or approaching completion.

Actual revenues earned in fiscal year 2015 were lower than the revised budget by \$30.4 million and actual expenditures were lower than the revised budget by \$46.9 million. The main contributor to the revenue budget variance was Other Sources revenue (72% of the change) and the main contributors to the expense budget variance were the Instruction, Research, Student Financial Aid, Auxiliary Service, and Capital Outlay categories (75% 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 greater than revenues, resulting in a decrease in the overall fund balance of \$10.6 million. The primary source of this decrease is in the capital outlay area and reflects the use capital funds that were received for projects in a prior fiscal year that were used for expenditures in the current year.

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 through 2015. Areas of interest for discussion on the formula for 2016 are to review sector mission measures, institutional size, and a base operating adjustment for fixed costs. The HED will present its funding recommendation in November.

The NMSU system experienced a student enrollment decline of 3.8 percent for Fall 2015. The University has several initiatives in process focused on recruitment and retention to help reverse this trend. On a positive note, student enrollment for Fall 2015 reflects improvement in first time freshmen, which increased by 6.7% from Fall 2014.

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 2016, 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 any unknown internal and external issues.

New Mexico State University

Statement of Net Position

As of June 30, 2015

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 25,664,996	\$ 12,429,795
Cash and cash equivalents held in trust by Component Unit for NMSU	3,506,297	3,506,297
Short-term investments	3,282,997	287,490
Accounts receivable, net	52,429,286	5,528,228
Due from Component Unit	1,692,297	-
Inventories	2,603,446	4
Prepaid expenses	4,747,338	93,869
Student loans receivable - current portion, net	1,417,984	-
Total current assets	95,344,641	21,845,683
Non-current assets		
Restricted cash and cash equivalents	48,348,255	1,351,466
Investments held by others	64,836,899	2,773,539
Investments held in trust by Component Unit for NMSU	40,480,835	40,480,835
Investments held in trust for others	-	362,586
Other long-term investments	64,310,795	114,896,769
Student loans receivable, net	12,761,858	-
Prepaid expenses and other assets	8,830	186,365
Capital assets, net	506,109,018	233,879
Total non-current assets	736,856,490	160,285,439
TOTAL ASSETS	832,201,131	182,131,122
DEFERRED OUTFLOWS OF RESOURCES		
	32,880,844	-
LIABILITIES		
Current liabilities		
Accounts payable	15,073,306	941,782
Due to NMSU	-	1,692,297
Other accrued liabilities	17,909,493	-
Accrued interest payable	1,797,092	-
Held in trust for NMSU	-	3,506,297
Unearned revenue	17,444,317	63,128
Held in trust by NMSU	5,953,493	-
Long-term liabilities - current portion	14,956,154	180,247
Total current liabilities	73,133,855	6,383,751
Non-current liabilities		
Accrued benefit reserves	659,630	-
Held in trust for NMSU	-	40,480,835
Other long-term liabilities	173,814,595	2,698,140
Net Pension liability	431,412,011	-
Total non-current liabilities	605,886,236	43,178,975
TOTAL LIABILITIES	679,020,091	49,562,726
DEFERRED INFLOWS OF RESOURCES		
	45,877,193	-
NET POSITION		
Net investment in capital assets	386,894,891	233,879
Restricted for:		
Non-expendable:		
Endowments	92,939,772	80,723,797
Expendable:		
Endowments	1,973,617	31,925,828
General activities	-	15,852,156
Federal student loans	17,528,384	-
Capital projects	7,253,083	-
Related entity activities	823,053	-
Unrestricted	(367,228,109)	3,832,736
TOTAL NET POSITION	\$ 140,184,691	\$ 132,568,396

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, 2015

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 113,694,414	\$ -
Less: scholarship allowances	(41,290,643)	-
Student tuition and fees (net)	72,403,771	-
Federal appropriations, grants and contracts	106,972,461	-
State grants and contracts	12,947,408	-
Local appropriations, grants and contracts	2,852,054	-
Non-governmental grants and contracts	8,682,660	9,885,212
Sales and services	5,067,442	3,819,536
Auxiliary Enterprises (Net of Scholarship Allowances)	16,687,867	-
Other operating revenues	14,333,950	-
Total operating revenues	239,947,613	13,704,748
EXPENSES		
Operating expenses:		
Instruction	149,097,948	-
Research	106,274,698	-
Public service	44,691,313	-
Academic support	28,392,918	-
Student services	16,482,314	-
Institutional support	33,307,526	-
Operation and maintenance of plant	51,735,020	-
Scholarships and fellowships	33,738,190	-
Auxiliary enterprises	23,490,860	-
Independent operations	16,937,428	-
Intercollegiate athletics	17,651,165	-
Student social and cultural	4,249,672	-
Loan administration (net)	(262,921)	-
Depreciation	34,125,832	107,115
Other operating expenses	-	14,659,312
Total operating expenses	559,911,963	14,766,427
Net operating loss	(319,964,350)	(1,061,679)
Non-operating revenues (expenses):		
State appropriations	206,794,189	-
Federal Pell Grants	44,817,564	-
State Lottery Scholarship	17,687,420	-
Local Tax Levy Revenue	12,552,912	-
Gifts and non-exchange grants	10,657,397	-
Investment income	1,055,525	2,924,292
Building fees	3,723,460	-
Loss on disposal of plant	(1,009,093)	-
Additions to quasi endowments	189,119	-
Interest and other expenses on capital asset-related debt	(5,419,966)	-
Other non-operating revenues (expenses)	(5,810,184)	(208,541)
Net non-operating revenues	285,238,343	2,715,751
Loss before other revenues	(34,726,007)	1,654,072
Capital appropriations	19,108,869	-
Capital grants, gifts and other income	6,176,799	-
Additions to permanent endowments	1,245,581	2,592,850
(Decrease) Increase in net position	(8,194,758)	4,246,922
NET POSITION		
Beginning of year (as adjusted - see Note 2)	148,379,449	128,321,474
End of year	\$ 140,184,691	\$ 132,568,396

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, 2015

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 71,352,676
Grants and contracts received	138,382,321
Payments to suppliers	(122,513,184)
Payments for travel	(14,956,787)
Payments to employees and for employee benefits	(347,529,422)
Disbursement of net aid to students	(37,631,278)
Receipts from sales and services	23,342,669
Other operating revenues	14,819,151
NET CASH USED BY OPERATING ACTIVITIES	(274,733,854)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	206,794,189
Gifts and grants for other than capital purposes	73,153,968
Tax levy revenue	12,552,912
Private gifts for endowment	596,580
Other non-operating expense	(4,016,378)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	289,081,271
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital gifts, grants and contracts	25,285,668
Purchases/construction/renovation of capital assets	(47,004,236)
Principal paid on capital debt and leases	(10,055,371)
Interest and fees paid on capital debt and leases	(5,531,026)
Building fees received from students	3,723,460
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(33,581,505)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	92,267,999
Interest on investments	3,055,862
Purchase of investments	(75,812,334)
Realized loss on investments	(122,903)
NET CASH PROVIDED BY INVESTING ACTIVITIES	19,388,624
Net increase in cash and cash equivalents	154,536
Cash and cash equivalents - beginning of year	73,858,715
Cash and cash equivalents - end of year	\$ 74,013,251
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	\$ (319,964,350)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	34,125,832
Change in assets and liabilities:	
Decrease in accounts receivable	1,413,273
Increase in prepaid expenses	(1,939,602)
Increase in inventory	(339,392)
Decrease in loans receivable	310,218
Increase in accounts payable and other accrued liabilities	5,124,236
Increase in unearned revenue	6,472,958
Increase in Held in Trust by NMSU	62,973
NET CASH USED BY OPERATING ACTIVITIES	\$ (274,733,854)

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 Chancellor 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

Reporting Entity. The Governmental Accounting Standards Board's (GASB) Statement No. 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. The Foundation is a nonprofit corporation which provides financial benefit to the University by acquiring and managing charitable gifts, including endowed funds, to be used solely for the benefit of the University. Arrowhead Center, Inc. meets the criteria for blended presentation. Arrowhead Center Inc. provides a financial benefit to the University and was established to foster economic development within the State through the development of research parks and University real property as well as to protect, license, and market intellectual property developed by faculty, staff and students of the University, as well as members of the community. 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. Aggie Development Inc. did not meet the materiality threshold that requires audited financial statements and therefore its activity is included in the NMSU audited financial statements, but its information is not included in Note 11. 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 enterprise fund of the State of New Mexico and, as such, is included in the State of New Mexico's Comprehensive Annual Financial Report.

Current Assets. 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.

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 University and the Foundation record purchased marketable securities at cost and marketable securities received by gift at estimated fair value on the date of donation. Marketable securities are carried 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 University and the Foundation believe 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. 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 to 20 years
Componentized buildings	12 to 50 years
Library books	15 years
Non-componentized buildings	25 or 40 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.

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, 2015. 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 year ended June 30, 2015.

Non-Current Liabilities. Non-current liabilities include principal amounts of revenue bonds payable, contracts payable, the non-current portion of accrued compensated absences, pension liability 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. The University provides regular nine-month faculty with a paid leave benefit that can be used for any qualifying event under the federal Family and Medical Leave Act (FMLA). This benefit is referred to as "Faculty Care Leave". All regular nine-month faculty are eligible to participate in the benefit. No payment will be provided for accrued Faculty Care Leave balances upon separation from the University nor upon death.

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

- *Net investment in capital assets* – Represents the University's total capital assets, net of accumulated depreciation, outstanding debt obligations related to those capital assets and debt related deferred inflows and outflows. Debt that has been incurred but not yet expended for capital assets is not included as a component of net investment in capital assets.
- *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* – Includes resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- *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)

certain 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, certain grants, tax levy revenue, 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, *Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments*. 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 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 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. To the extent that revenues such as federal Pell grants and state lottery scholarships 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 year 2015. 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 Statement of Net Position. Federal Perkins Loans make up approximately 99% of the student loans receivable at June 30, 2015. 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.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Changes in Accounting Policies and Statements

University. Effective July 1, 2014, the University adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pensions. As a result of the implementation of GASB Statement 68, the University restated net position as of July 1, 2014. This restatement was a decrease of \$444,843,745 to unrestricted net position as of July 1, 2014. The implementation of GASB Statement 68 also resulted in the recognition at June 30, 2015 of \$431,412,011 in net pension liability, \$32,880,844 in deferred outflows of resources, and \$45,643,893 in deferred inflows of resources, all of which had not been recognized prior to fiscal year 2015. The net pension liability represents the University's proportionate share of the total net pension liability of the Educational Retirement Board (ERB) defined benefit plan based on an annual valuation performed on that plan (Note 8).

Restatement. The July 1, 2014 net position was restated as a result of the adoption of GASB 68. This statement requires state agencies to disclose their proportionate share of the (ERB) pension liability. An adjustment was made to add the liability to the Statement of Net Position. The following table shows the result of this restatement on the net position at July 1, 2014.

University Reconciliation of Net Position	
	<u>Total Net Position</u>
Net position at July 1, 2014, as previously reported	\$ 593,223,194
Adjustment:	
Adoption of GASB 68	(444,843,745)
Net position at July 1, 2014, restated for adoption of GASB 68	<u>\$ 148,379,449</u>

Foundation. As of July 1, 2014, the University elected to change the method it utilized to present its discrete component unit, the Foundation, within its primary government financial statements. The Foundation issues a stand-alone set of audited financial statements which are prepared in accordance with Financial Accounting Standards Board (FASB). For the purposes of including the Foundation's financial information within the University's primary government financial statements in prior years, the Foundation's financial information was presented in accordance with GASB. As of July 1, 2014, the University elected to revise its accounting policy and present the Foundation's financial information under FASB. The University believes this method is preferable since it will allow the Foundation's financial information to be consistently presented in all publicly available financial statements.

Restatement. The July 1, 2014 net position was restated as a result of the adoption of preferential treatment. The following table shows the result of this restatement on the net position at July 1, 2014.

Foundation Reconciliation of Net Position	
	<u>Total Net Position</u>
Net position at July 1, 2014, as previously reported	\$ 125,848,112
Adjustment:	
Adoption of preferential treatment	2,473,362
Net position at July 1, 2014, restated for adoption of preferential treatment	<u>\$ 128,321,474</u>

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, 2015, the University owned 337,935 shares which represented 27.12% of the total shares in the pool. The fair value per share as of June 30, 2015 was \$124.49.

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, 2015.

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, 2015, 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 U.S. agency securities, municipal securities, certificates of deposit and corporate stocks and bonds at June 30, 2015. The Foundation's short-term investments in marketable securities consisted entirely of U.S Government and Agency securities and certificates of deposit at June 30, 2015.

Endowment investments were \$105,317,734 at June 30, 2015, 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, 2015, the investments of the University and its Discrete Component Unit consisted of the following:

	Fair Value
University	
U.S. Agency Securities	\$ 59,877,807
Municipal Securities	1,252,753
Certificates of Deposit	6,031,100
Corporate Stocks and Bonds	432,132
Land Grant Permanent Fund	64,836,899
Pooled Cash and Investments Held by Others	43,987,132
Total Investments	<u>\$ 176,417,823</u>
Foundation	
U.S Government and Agency Securities	\$ 5,305,761
Corporate Stocks and Bonds	72,288,924
Alternative Investments	25,606,662
Mortgage Backed Securities	11,157,054
Other Investments	825,858
Total Investments	<u>\$ 115,184,259</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 Foundation 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, 2015.

	2015
Equities	77%
Fixed income	13%
Cash and cash equivalents	9%
Investments not securities	1%
	<u>100%</u>

Collateralization of Deposits. At June 30, 2015, the recorded values of the University's cash and time deposits with financial institutions was \$67,964,163. Bank balances, which differ from the reported values due to reconciling items, are categorized and presented in the following table:

	2015
University	
Amount insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 6,571,776
Amount collateralized with securities held by the pledging financial institution	<u>64,184,741</u>
Total cash and time deposit bank balances	70,756,517
Time deposits	(6,031,100)
Cash Equivalents	12,080,187
Other reconciling items	<u>(2,792,353)</u>
Total reported cash balance	<u>\$ 74,013,251</u>
Foundation	
Amount insured by the FDIC	\$ 366,231
Amount in excess of FDIC coverage	4,673,727
Amount at Merrill Lynch insured by Security Investor Protection Corporation (SIPC) and the FDIC	<u>8,741,303</u>
Total reported cash balance	<u>\$ 13,781,261</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2015:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
First National Bank of Alamogordo				
Operational	Checking	\$ 68,248	\$ (40)	\$ 68,208
Operational	Debt Service	995,478	-	\$ 995,478
Grants State Bank				
Operational	Checking	17,088	-	17,088
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(2,712,424)	(2,712,424)
Operational	Student ACH	-	5,182	5,182
Operational	General	-	30,952	30,952
Operational	Payroll	-	(240,743)	(240,743)
Operational	Credit Card	-	78,754	78,754
Operational	Debt Service	3,823,473	-	3,823,473
Operational	Deposit	-	2,803	2,803
Operational	Savings	38,648,539	-	38,648,539
Operational	Cash Management	21,149,009	-	21,149,009
Operational	Money Market	10,173,298	-	10,173,298
Operational	Money Market	2,297	-	2,297
Wells Fargo Advisors				
Operational	Money Market	5	-	5
Western Commerce Bank of Carlsbad				
Operational	Checking	20,081	(485)	19,596
Operational	Deposit	3,500	762	4,262
Cash on Hand				
Cash on Hand	Cash	-	42,886	42,886
Federated Investment Manager				
Dividend Reinvestment	Money Market	1,904,588	-	1,904,588
Total Cash and Cash Equivalents		\$ 76,805,604	\$ (2,792,353)	\$ 74,013,251

The following table provides information on the University's investments, including reconciling items, at June 30, 2015.

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
FTN Financial				
U.S. Agency Securities	Investment	\$ 21,822,610	\$ -	\$ 21,822,610
Wells Fargo Advisors				
Corporate Stocks and Bonds	Investment	186,867	-	\$ 186,867
Raymond James				
U.S. Agency Securities	Investment	14,955,280	-	\$ 14,955,280
Wells Fargo				
Certificate of Deposit	Investment	6,000,000	-	\$ 6,000,000
Wells Fargo				
Municipal Securities	Investment	1,252,753	-	\$ 1,252,753
Wells Fargo				
U.S. Agency Securities	Investment	23,035,314	-	\$ 23,035,314
Forensic Testing and Laboratory				
Corporate Stocks and Bonds	Investment	32,427	-	\$ 32,427
Eberhardt Memorial				
Corporate Stocks and Bonds	Investment	2,495	-	\$ 2,495
Principal Funds				
Corporate Stocks and Bonds	Investment	173,920	-	\$ 173,920
Franklin Templeton				
Corporate Stocks and Bonds	Investment	36,423	-	\$ 36,423
Citizen's Bank of Las Cruces				
Certificate of Deposit	Investment	31,100	-	\$ 31,100
Legacy Treasury Direct				
U.S. Agency Securities	Investment	64,603	-	\$ 64,603
New Mexico State Investment Council				
Permanent Land Fund	Investment	64,836,899	-	\$ 64,836,899
New Mexico State University Foundation, Inc.				
NMSU Endowments	Investment	43,987,132	-	\$ 43,987,132
Total investments		<u>\$ 176,417,823</u>	<u>\$ -</u>	<u>\$ 176,417,823</u>

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2015, is provided below:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operations	Checking	\$950,323	\$ (2,544)	\$ 947,779
Program	ACH	939,036	-	939,036
Program	Checking	2,375,439	(1,305)	2,374,134
Program	Transfer	350,249	-	350,249
Program	Wire	312,529	-	312,529
Operations – NMSU Sports Enterprises, Inc.	Checking	16,300	(69)	16,231
Citizens Bank of Las Cruces				
Program	Certificate of Deposit	100,000	-	100,000
Merrill Lynch				
Operations	Checking	1	-	1
Operations	Money Market	239	-	239
Program	Checking	5,004,974	(241,915)	4,763,059
Program	Money Market	3,161,961	-	3,161,961
Program-Cash Gift Annuity	Checking & Money Market	30,844	(8,919)	21,925
Program-Private Equity	Checking & Money Market	322,633	-	322,633
Less Cash Allocated to NMSU for AHIT (Program)	Held in Trust	(879,981)	-	(879,981)
INVESTMENT CASH - MERRILL LYNCH MANAGERS:				
APEX SCG (Formerly Fred Alger)	Money Market	195,110	-	195,110
Eagle	Money Market	44,545	-	44,545
Earnest - TMA	Money Market	211,822	-	211,822
Hedge Funds	Money Market	10,878	-	10,878
Invesco REITS	Money Market	191,120	-	191,120
London - TMA	Money Market	333,075	-	333,075
Loomis - TMA	Money Market	37,069	-	37,069
Managed Futures	Money Market	123	-	123
McDonnell	Money Market	247,419	-	247,419
NFJ International	Money Market	370,495	-	370,495
NMSU Business College	Money Market	5,544	-	5,544
NWQ	Money Market	288,680	-	288,680
Short Term Investment Fund	Money Market	3,192	-	3,192
SPAR	Money Market	186	-	186
Title V	Money Market	51,109	-	51,109
UMA Eagle	Money Market	111,383	-	111,383
WHV International	Money Market	344,499	-	344,499
Winslow - TMA	Money Market	137,139	-	137,139
Less Cash Allocated to NMSU for AHIT	Held in Trust	(1,231,922)	-	(1,231,922)
Total Cash and Cash Equivalents		\$ 14,036,013	\$ (254,752)	\$ 13,781,261
Corporate Stocks and Bonds	Investment	\$67,287,482	\$ -	\$ 67,287,482
U.S. Government and Agency Securities	Investment	5,305,761	-	5,305,761
Mortgage Backed Securities	Investment	11,157,054	-	11,157,054
Limited Partnerships - Alternative	Investment	25,606,662	-	25,606,662
Mutual Funds	Investment	5,001,442	-	5,001,442
Real Estate Holdings				
Reak Estate Holdings	Investment	463,288	-	463,288
Short-term Investments	Investment	287,490	-	287,490
Accrued Investment Interest	Investment	75,080	-	75,080
Total Investments		\$ 115,184,259	\$ -	\$ 115,184,259

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, 2015, 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					
Certificates of Deposits	\$ 6,031,100	\$ 2,281,100	\$ 3,750,000	\$ -	\$ -
Agency Securities	59,877,807	-	59,877,807	-	-
Municipal Securities	1,252,753	1,001,910	250,843	-	-
Permanent Land Fund	64,836,899	-	64,836,899	-	-
Pooled Cash and Investments					
US Government & Agency Securities	2,017,539	200,818	1,269,779	546,942	-
Mortgage-backed securities	4,183,387	-	4,183,387	-	-
Domestic corporate stocks & bonds	17,838,997	-	17,838,997	-	-
Foreign corporate stocks & bonds	7,514,695	-	7,514,695	-	-
Items not subject to interest rate risk:					
Corporate Stocks	432,132	-	-	-	-
Pooled Cash and Investments					
Cash	2,111,903	-	-	-	-
Limited partnerships	9,601,177	-	-	-	-
Land and building (Investments not securities)	173,710	-	-	-	-
Mutual Funds	545,724	-	-	-	-
Total investments	<u>\$ 176,417,823</u>	<u>\$ 3,483,828</u>	<u>\$ 159,522,407</u>	<u>\$ 546,942</u>	<u>\$ -</u>
Foundation					
U.S. government and agency securities	\$ 5,305,761	\$460,508	\$3,386,543	\$1,458,710	\$ -
Mortgage-backed securities	11,157,054	-	11,157,054	-	-
Items not subject to interest rate risk:					
Corporate and foreign stocks	72,288,924	-	-	-	-
Alternative investments	25,606,662	-	-	-	-
Other investments	825,858	-	-	-	-
Total investments	<u>\$ 115,184,259</u>	<u>\$ 460,508</u>	<u>\$ 14,543,597</u>	<u>\$ 1,458,710</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, 2015, and their exposure to credit risk follows:

	Rating	Fair Value
University		
US Agency Securities	S&P/Moody's - AA+/Aaa	\$ 59,877,807
Municipal Securities	Moody's--A1	1,252,753
Certificates of Deposits	Federally Insured	6,031,100
Corporate Stocks	Not Rated	432,132
Land Grant Permanent Fund	N/A	64,836,899
Pooled Cash and Investments		
Cash	N/A	2,111,903
US Government & Agency Securities	Aaa	2,017,539
Mortgage-backed securities	N/A	4,183,387
Domestic corporate stocks & bonds	N/A	17,838,997
Foreign corporate stocks & bonds	N/A	7,514,695
Limited partnerships	N/A	9,601,177
Land and building (Investments not securities)	N/A	173,710
Mutual Funds	N/A	545,724
Total investments		<u>\$ 176,417,823</u>
Foundation		
U.S. government and agency securities	Moody's---Aaa	\$ 2,693,533
Corporate bonds	A1	91,126
Corporate bonds	AA2	59,478
Corporate bonds	AA3	178,642
Corporate bonds	Not rated	49,528,522
Mutual funds	Not rated	5,001,442
Foreign stocks	Not rated	20,041,942
Mortgage-backed securities	AAA+	11,157,054
Limited Partnership Alternative	Not rated	25,606,662
Other investments (real estate and accrued investment interest)	N/A	825,858
Total investments		<u>\$ 115,184,259</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, 2015, total bank balances of the University were \$76,805,604. None of these balances are subject to custodial credit risk.

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. None of the investments are subject to custodial credit risk.

Note 4 – Accounts Receivable and Unearned Revenue

Accounts receivable consists of the following at June 30, 2015:

	2015
University	
Student tuition and fees	\$ 43,642,433
Federal, state, and private grants and contracts	32,432,320
Other	6,426,543
Due from Component Unit	1,692,297
Less: allowance for doubtful accounts	<u>(30,072,010)</u>
Net accounts receivable	<u>\$ 54,121,583</u>
Foundation	
Net miscellaneous accounts receivable	<u>\$ 5,528,228</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, 2015:

	2015
University	
Student tuition and fees	\$ 1,191,207
Federal, state, and private grants and contracts	13,822,647
Other	2,430,463
	<hr/>
Total unearned revenue	<u>\$ 17,444,317</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 cost basis for these assets, 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 \$158,874 for fiscal year 2015.

Changes in capital asset balances for the year ended June 30, 2015, were as follows:

	Balance July 1 2014	Additions	Transfers	Retirements	Balance June 30 2015
University					
Capital assets not being depreciated:					
Land and land improvements	\$ 10,696,079	\$ -	\$ -	\$ -	\$ 10,696,079
Construction in progress	25,392,643	34,151,334	(23,546,511)	-	35,997,466
Total capital assets not being depreciated	<u>\$ 36,088,722</u>	<u>\$ 34,151,334</u>	<u>\$ (23,546,511)</u>	<u>\$ -</u>	<u>\$ 46,693,545</u>
Capital assets being depreciated:					
Buildings	\$ 677,194,196	\$ 260,636	\$ 21,634,886	\$ (1,561,243)	\$ 697,528,475
Infrastructure	74,498,506	732,626	1,911,625	-	77,142,757
Equipment	122,715,954	8,388,939	-	(5,561,076)	125,543,817
Software	16,310,987	164,870	-	(1,664,992)	14,810,865
Library books	76,397,977	3,305,827	-	(194,734)	79,509,070
Total other capital assets	<u>967,117,620</u>	<u>12,852,898</u>	<u>23,546,511</u>	<u>(8,982,045)</u>	<u>994,534,984</u>
Less accumulated depreciation for:					
Buildings	(310,647,293)	(19,527,166)	-	1,335,290	(328,839,169)
Infrastructure	(40,109,590)	(3,068,168)	-	-	(43,177,758)
Equipment	(92,304,487)	(7,736,269)	-	4,777,940	(95,262,816)
Software	(11,408,212)	(912,549)	-	1,664,992	(10,655,769)
Library books	(54,497,053)	(2,881,680)	-	194,734	(57,183,999)
Total accumulated depreciation	<u>(508,966,635)</u>	<u>(34,125,832)</u>	<u>-</u>	<u>7,972,956</u>	<u>(535,119,511)</u>
Capital assets being depreciated, net	<u>\$ 458,150,985</u>	<u>\$ (21,272,934)</u>	<u>\$ 23,546,511</u>	<u>\$ (1,009,089)</u>	<u>\$ 459,415,473</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 36,088,722	\$ 34,151,334	\$ (23,546,511)	\$ -	\$ 46,693,545
Other capital assets, at cost	967,117,620	12,852,898	23,546,511	(8,982,045)	994,534,984
Total cost of capital assets	<u>1,003,206,342</u>	<u>47,004,232</u>	<u>-</u>	<u>(8,982,045)</u>	<u>1,041,228,529</u>
Less: accumulated depreciation	<u>(508,966,635)</u>	<u>(34,125,832)</u>	<u>-</u>	<u>7,972,956</u>	<u>(535,119,511)</u>
Capital assets, net	<u>\$ 494,239,707</u>	<u>\$ 12,878,400</u>	<u>\$ -</u>	<u>\$ (1,009,089)</u>	<u>\$ 506,109,018</u>
Foundation					
Capital assets	\$ 762,325	\$ 13,178	\$ -	\$ (27,171)	\$ 748,332
Less: accumulated depreciation	(434,039)	(107,115)	-	26,701	(514,453)
Capital assets, net	<u>\$ 328,286</u>	<u>\$ (93,937)</u>	<u>\$ -</u>	<u>\$ (470)</u>	<u>\$ 233,879</u>

The University had no significant asset impairments during the fiscal year ended June 30, 2015.

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, 2015, follows:

	Balance July 1 2014	Additions	Reductions	Balance June 30 2015	Current Portion (due in 2016)	
University						
Bonds and contracts payable:						
Revenue bonds payable	\$133,379,073	\$ -	\$ (9,709,702)	\$123,669,371	\$ 8,640,000	
Subordinate Revenue Note	\$ 15,865,000	\$ -	\$ -	\$ 15,865,000	\$ 2,120,000	
Contracts payable	1,694,068	63,446	(409,120)	1,348,394	417,831	
Total bonds and contracts	150,938,141	63,446	(10,118,822)	140,882,765	11,177,831	
Other liabilities:						
Accrued compensated absences	19,187,142	5,030,813	(5,326,343)	18,891,612	3,778,323	
Other post employment benefits	25,619,000	2,859,000	-	28,478,000	-	
* Net Pension Liability	444,843,745	-	(13,431,734)	431,412,011	-	
Other	600,484	-	(82,112)	518,372	-	
Total other liabilities	490,250,371	7,889,813	(18,840,189)	479,299,995	3,778,323	
Total long-term liabilities	\$641,188,512	\$ 7,953,259	\$(28,959,011)	\$620,182,760	\$ 14,956,154	
Foundation						
	Balance July 1 2014	Additions	Reductions	Changes in Estimate	Balance June 30 2015	Current Portion (due in 2016)
Gift annuities payable	\$ 2,707,044	\$ -	\$ (25,985)	\$ 20,374	\$ 2,701,433	\$ 150,722
Payable under unitrusts	186,002	-	-	(9,048)	176,954	29,525
Total long-term liabilities	\$ 2,893,046	\$ -	\$ (25,985)	\$ 11,326	\$ 2,878,387	\$ 180,247

* GASB 68 implementation - this is the first year this liability was required to be recorded.

Bonds Payable. All outstanding University revenue bonds as of June 30, 2015 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 annually on April 1. Allowable premiums, and discounts on bonds payable are recorded in total and amortized according to the bonds outstanding method, which approximates the effective interest method.

The bond interest expense incurred for the fiscal year 2015 was \$5,085,423, net of interest income. Of this amount, \$365,659 was capitalized during fiscal year 2015.

Total University bonds issued and outstanding at June 30, 2015, excluding bonds issued by the Community College Districts, (See Note 13), consisted of:

	Total Issued	Outstanding 2015
Improvement Revenue Bonds		
Bond Series 2006, (4.00% - 5.25%) Final Maturity 2026	\$ 10,245,000	\$ 6,665,000
Refunding and Improvement Revenue Bonds		
Bond Series 2010A, 2010B, 2010C, 2010D (1.89% - 5.27%) Final Maturity 2030	78,670,000	63,055,000
Refunding and Improvement Revenue Bonds		
Bond Series 2013A, 2013B, 2013C (2.00% - 5.00%) Final Maturity 2033	56,200,000	49,020,000
Total Bonds Payable	<u>145,115,000</u>	<u>118,740,000</u>
Plus: Unamortized Net Premium	9,412,624	4,929,371
Bonds Payable, net	<u>\$ 154,527,624</u>	<u>\$ 123,669,371</u>

The maturity schedule for the University bonds payable at June 30, 2015, follows:

Year Ending June 30	Principal	Interest
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	8,965,000	4,403,446
2021-2025	45,455,000	15,314,130
2026-2030	27,950,000	5,315,183
2031-2033	3,135,000	220,638
Total	<u>\$ 118,740,000</u>	<u>\$ 46,410,964</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. 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 began on October 1, 2014 and are due semiannually thereafter on April 1 and October 1 of each year. Principal payments are due April 1 each year, beginning April 1, 2016. The note matures April 1, 2029.

The maturity schedule for the subordinate revenue note at June 30, 2015, follows:

Year Ending June 30	Principal	Interest
2016	\$ 2,120,000	\$ 487,056
2017	760,000	421,972
2018	820,000	398,640
2019	880,000	373,466
2020	945,000	346,450
2021-2025	5,835,000	1,250,560
2026-2029	4,505,000	282,287
Total	<u>\$ 15,865,000</u>	<u>\$ 3,560,431</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 net present value of minimum lease payments, future minimum lease payments and the portion of the lease payments representing interest at June 30, 2015.

Type of Property	Asset Carrying Value	Net Present Value of Minimum Lease Payments
Office equipment	\$ 371,088	\$ 154,333
Computer Equipment	1,976,408	1,194,061
Total	<u>\$ 2,347,496</u>	<u>\$ 1,348,394</u>

Year Ending June 30	Principal	Interest	Minimum Payments
2016	\$ 417,830	\$ 33,743	\$ 451,573
2017	385,192	21,036	406,228
2018	373,588	9,604	383,192
2019	170,461	985	171,446
2020	1,323	32	1,355
Total minimum lease payments	<u>\$ 1,348,394</u>	<u>\$ 65,400</u>	<u>\$ 1,413,794</u>

Note 7 – Health Insurance

The University provides group health insurance coverage for all regular employees working 20 hours per week or more and term appointment employees working 30 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.

The University participates in the State of New Mexico (State) insurance program. Premiums are paid to the State. 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 contribute 10.70% of their gross salary to the plan in fiscal year 2015 and thereafter.

Employer contributions – Beginning in fiscal year 2015, the University was required to contribute 13.90% of the gross covered salary for employees. This rate will continue in fiscal year 2016 and beyond.

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 ended June 30, 2015, 2014, and 2013, were \$27,631,799, \$26,179,018 and \$21,403,406, 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, as of July 1, 2012, the contribution required by retirees earning more than \$20,000 was 9.40% and the University contribution was 10.90%. For retirees earning \$20,000 or less, the retiree contributed 7.9% and the University contributed 12.4%. 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 increased to 10.70% and the University contribution increased to 13.90%. The contribution rates remain unchanged for employees earning \$20,000 or less, however, the University contribution increased to 13.90%.

The University's contributions to the ERB for RTW program participants for the years ended June 30, 2015, 2014, and 2013 were \$211,179, \$217,851 and \$197,884, respectively, which equal the amount of the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following note disclosures related to pensions pertain to fiscal year 2015 as a result of the implementation of GASB Statement No.68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*.

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2014. At June 30, 2015, the University reported a liability of \$431,412,011 for its proportionate share of the net pension liability. The proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the University's proportion was 7.56103%, which was an increase of 0.03736% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the University recognized a pension expense of \$30,471,523. At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 6,426,535
Net difference between projected and actual earnings on pension plan investments		39,217,358
Changes in proportion and differences between University contributions and proportionate share of contributions	\$ 1,740,635	
University contributions subsequent to the measurement date	<u>31,140,209</u>	
Total	<u>\$ 32,880,844</u>	<u>\$ 45,643,893</u>

The \$31,140,209 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date of June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30		
2016	\$	11,431,386
2017		11,431,386
2018		11,236,140
2019		9,804,338
	<u>\$</u>	<u>43,903,250</u>

Actuarial assumptions: As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year June 30, 2014 and 10.7% thereafter.

Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.

COLAs for most retirees are reduced until ERB attains a 100% funded status.

These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized - closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 Year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition; 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

Asset Class	2014 Long Term Expected Real Rate	2013 Long Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the ARP, ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the University's proportionate shares of the net pension liability to changes in the discount rate: The following table shows the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2014. In particular, the table presents the University's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
New Mexico State University's proportionate share of the net pension liability	<u>\$ 586,985,797</u>	<u>\$ 431,412,011</u>	<u>\$ 301,465,786</u>

Pension plan fiduciary net position: Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.erb.org.

B. Alternative Retirement Program

Plan Description. The New Mexico Alternative Retirement Plan (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 7 years of contribution to the ARP, have a one-time opportunity to move to the ERB's defined benefit plan. Section 51 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, 2015, 2014, and 2013 were \$27,883,938, \$27,583,886 and \$26,374,496, respectively. As of July 1, 2012, the contribution required by employees earning more than \$20,000 was 9.40% and the University contribution was 7.9% to the carrier and 3.0% to 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, 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 remained 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 increased to 10.70% and the University contribution increased to 10.90%. The administrative fee to ERB remained the same at 3.0%. The contribution rates remained unchanged for employees earning \$20,000 or less, however, the University contribution increased to 10.90%. The administrative fee will remain the same at 3.0%. As of July 1, 2015, all contributions remained unchanged. The 3.0% administrative 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, 2015, 2014, and 2013, were \$3,037,200, \$2,798,528 and \$2,084,651, respectively, for employees participating in the ARP. Additionally, \$836,519, \$827,516 and \$791,234, were paid as administrative fees to the ERB for the years ended June 30, 2015, 2014, and 2013, respectively; employees participating in the

ARP made contributions totaling \$2,981,402, \$2,784,292 and \$2,480,186, 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 year ended June 30, 2015 there were 2 employees enrolled under CSRS and 11 employees under FERS. The University contributes 7.0% and employees contribute 7.0% under CSRS. The University contributes 13.20% and employees contribute 0.8% under FERS. For the fiscal years ended June 30, 2015, 2014, and 2013, the University contributed \$142,467, \$145,937 and \$157,105, respectively; employees contributed \$23,647, \$28,545 and \$30,453, 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. As of June 30, 2015, 1,277 retirees met the eligibility requirements for health insurance.

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 2015 was \$4,563,000, 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, 2014, actuarial valuation, the projected 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 8.5% for retirees 65 years of age and under and 7.5% 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:

	2015
Annual required contribution	\$ 7,248,000
Interest on net OPEB Obligation	1,153,000
Adjustment to annual required contribution	(979,000)
Annual OPEB cost (expense)	<u>7,422,000</u>
Contributions made	(4,563,000)
Increase in net OPEB obligation	2,859,000
Net OPEB obligation beginning of year	<u>25,619,000</u>
Net OPEB obligation end of year	<u><u>\$ 28,478,000</u></u>

The percentage of annual OPEB cost contributed to the plan was 63% for fiscal year 2015.

Funded Status and Funding Progress. As of July 1, 2014, the updated actuarial valuation date, the present value of all future expected post-retirement health payments and administrative costs attributable to past service, was \$91,897,000, and the actuarial value of assets was zero. The covered payroll (annual payroll of active employees covered by the plan) was \$261,150,892 and the ratio of the UAAL to the covered payroll was 35%.

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 7), 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, 2015, the estimated remaining costs to complete these and other in-house construction and renovation projects was approximately \$77 million. These projects are in various stages of completion. Those deemed to be major projects will be completed by September 2016. The remaining cost of all budgeted projects (both capital and non-capital) will be financed as follows:

Funding Sources	Amount
Revenue bonds	\$ 10,329,142
General obligation bonds (State of New Mexico)	29,519,988
Severance tax bonds (State of New Mexico)	3,823,342
University funds	18,924,622
State funds	11,984,514
Gifts, grants and contracts	2,421,879
Total	<u>\$ 77,003,487</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
2016	\$ 1,491,236
2017	1,382,668
2018	1,176,622
2019	1,023,157
2020	428,373
Years thereafter	155,334
Total minimum lease payments	<u>\$ 5,657,390</u>

Operating lease payments made in fiscal year 2015 are as follows:

	2015
Minimum rentals	\$ 1,767,582
Contingent rentals	135,545
Total lease payments	<u>\$ 1,903,127</u>

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

Other Commitments. At June 30, 2015, 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 \$19.5 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 Components 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.

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, 2015, and for the fiscal year then ended follows:

	2015
Net Position:	
Total assets	\$ 849,119
Total liabilities	26,066
Total net position	<u>\$ 823,053</u>
Change in Net Position:	
Total revenues and other additions	\$ 669,254
Total expenditures	895,585
Change in Net Position	<u>(226,331)</u>
Net position, beginning	<u>1,049,384</u>
Net position, ending	<u><u>\$ 823,053</u></u>

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.

Aggie Development, Inc. Aggie Development, Inc., was organized pursuant to the provisions of the State of New Mexico University Research Park Act of 1989. The corporation was established to benefit the University by (1) managing and developing designated University real estate and water rights; (2) contributing all of the corporation's net revenues to the University; and (3) enhancing learning opportunities for students. During their first year, Aggie Development Inc. did not meet the materiality threshold that requires audited financial statements and therefore its activity is included in the NMSU audited financial statements, but no separate details are presented herein. Aggie Development, Inc.'s address is: Aggie Development, Inc., P.O. Box 3145, Las Cruces, NM 88003.

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 year ended June 30, 2015, the University paid Risk Management \$5,836,521 in insurance premiums. After conferring with legal counsel concerning pending litigation and claims, the University administration believes the outcome of pending litigation should not have a material adverse effect on the financial position or operations of the University.

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. Litigation has been filed against the University by DACC Nursing Students. Additionally, a class action complaint for Family and Medical Leave Act (FMLA) violations has been filed against the University. The details of these five situations follow.

- 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. **United States Department of Education (Department).** As a result of a finding of misstatement of eligibility for non-degree programs to the Department, the University worked with the Department staff to determine if a liability existed. During the course of the review, the Department identified ten programs that at some point did not meet eligibility requirements for paying federal student financial aid. The University received a final program review determination in the amount of \$946,995 on December 22, 2014 and submitted an appeal in the amount of \$248,000 on February 3, 2015. The University remitted payment on March 30, leaving the appealed amount unpaid. The University is awaiting a decision on the appeal.
 3. **New Mexico Department of Transportation (DOT).** The DOT issued a report on an ongoing audit on January 13, 2009. The report was issued to the University in July 2009, with a letter assessing an amount due to the agency. The total amount of the audit assessment as of July 2010, was \$1,229,825, the University agreed with \$54,944. Until the conclusion of the University's negotiations with the DOT, the University is unable to reasonably estimate a liability amount.
 4. **Doña Ana Community College Nursing Students.** 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. Plaintiffs were students in the DACC nursing program at the point in time continued accreditation of the nursing program was denied by the National League of Nursing Accrediting Commission. The plaintiffs allege claims based upon breach of contract but also request emotional distress damages suggesting a tort type claim. The court recently certified this case as a class action, to include 86 students enrolled in the DACC nursing program at the time of the denial who did not elect to complete their degree. Risk Management has agreed to provide the cost of defense and is expected to provide coverage for any non-contract damages. An adverse outcome is reasonably possible but an estimate of the loss or range of potential loss cannot be determined at this point of litigation.
 5. **FMLA Violations.** A class action complaint for damages for FMLA violations was filed against the University in May 2014. The parties have been engaged in court ordered mediation and have reached a settlement agreement with documentation of the detailed terms and court approval of the settlement still in progress. Under its terms, in addition to various changes in policies and other compliance requirements, various amounts will be paid totaling \$735,731. Of this amount, the University expects to pay \$367,866.

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, 2015, the cash balances available to make the next semi-annual payments were \$995,478 for the Alamogordo Community College, \$50,395 for the Carlsbad Community College, and \$3,773,078 for the Doña Ana Community College.

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
2016	\$ 340,000	\$ 120,573	\$ 460,573
2017	355,000	107,753	462,753
2018	370,000	94,253	464,253
2019	385,000	80,093	465,093
2020	405,000	64,778	469,778
2021-2025	1,400,000	100,830	1,500,830
Total	<u>\$ 3,255,000</u>	<u>\$ 568,280</u>	<u>\$ 3,823,280</u>
Carlsbad Community College			
Year Ending June 30	Principal	Interest	Total
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>\$ 1,325,000</u>	<u>\$ 108,300</u>	<u>\$ 1,433,300</u>
Doña Ana Community College			
Year Ending June 30	Principal	Interest	Total
2016	\$ 1,415,000	\$ 350,445	\$ 1,765,445
2017	1,125,000	310,437	1,435,437
2018	1,125,000	272,000	1,397,000
2019	1,200,000	230,500	1,430,500
2020	1,200,000	185,000	1,385,000
2021-2025	4,025,000	323,500	4,348,500
Total	<u>\$ 10,090,000</u>	<u>\$ 1,671,882</u>	<u>\$ 11,761,882</u>

Note 14 – Natural Classification Operating Expenses

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

	2015	
	University	Component Unit
Operating Expenses		
Salaries:		
Faculty	\$ 96,645,213	\$ -
Exempt staff	113,501,631	1,805,154
Non-exempt staff	18,226,341	-
Student/graduate assistant	28,557,130	54,901
Other compensation	4,220,577	7,077
Total salaries	<u>261,150,892</u>	<u>1,867,132</u>
Other Operating Expenses:		
Benefits	86,525,122	-
Travel	15,049,453	176,769
Scholarship and fellowships and other program support	37,941,496	10,824,897
Utilities	13,530,372	5,139
Professional fees	17,251,683	428,334
Supplies and other services	94,337,113	1,357,041
Depreciation	34,125,832	107,115
Total operating expenses	<u>\$ 559,911,963</u>	<u>\$ 14,766,427</u>

Note 15 – Unrestricted Net Position

Unrestricted net position supports the missions of the University in current and future years. The following is a breakdown of the University's unrestricted net position as of June 30, 2015 (unaudited):

	Amount
Unrestricted Net Position	\$ (367,228,109)
Less: Unfunded Pension	(444,175,060)
Less: Compensated Absenses	(15,262,912)
Less: Other Post Employment Benefits	(28,478,000)
Adjusted Unrestricted Net Position	120,687,863
Designated for Operations - Instruction and General	\$ 31,436,586
Designated for Operations - Research	16,081,983
Designated for Operations - Public Service	7,120,794
Designated for Operations - Other	7,240,698
Quasi Endowment Funds	15,744,494
Renewals and Replacements - Building	15,709,344
Renewals and Replacements - Auxiliary Enterprises	7,658,249
Renewals and Replacements - Internal Service Units	5,154,994
Renewals and Replacements - Equipment	6,737,725
Unexpended plant - Designated to Projects	6,184,886
Unexpended plant - Future Projects/ Contingency	1,618,110
Total	\$ 120,687,863

Note 16 – New Accounting Standards

GASB Statement No. 69 (*Government Combinations and Disposals of Government Operations*) became effective in 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. This statement does not apply to the University.

GASB Statement No. 71 (*Pension Transition for Contributions Made Subsequent to the Measurement Date*) became effective in 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*. This provision applies to entities with a fiscal year other than June 30, therefore does not apply to the University.

GASB Statement No. 72 (*Fair Value Measurement and Application*) will be effective for fiscal year 2016. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial statement purposes. The University's accounting practices meet the requirement of this statement.

GASB Statement 73 (*Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to certain Provisions of GASB Statements 67 and 68*) will be effective in fiscal year 2017. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This statement does not apply to the University.

GASB Statement 74 (*Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*) will become effective for fiscal year 2017. The objective of the statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement does not apply to the University.

GASB 75 (*Accounting and Financial Reporting for Postemployment Benefits other than Pensions*) will become effective for fiscal year 2018. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The University has not concluded its assessment of the impact of this Statement.

GASB 76 (*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*) will become effective for fiscal year 2016. The objective of this statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This implementation will not result in a change for the University.

Note 17 – Subsequent Events

The University has evaluated subsequent events from the balance sheet date through February 12, 2016, the date at which the financial statements were available to be issued, and determined there are no items to disclose.

Schedule 1 - Combining Statement of Net Position

	New Mexico State University 2015	Arrowhead Center, Inc 2015	Total 2015
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,873,382	\$ 791,614	\$ 25,664,996
Cash and cash equivalents held in trust by Component Unit for NMSU	3,506,297	-	3,506,297
Short-term investments	3,282,997	-	3,282,997
Accounts receivable, net	52,404,208	25,078	52,429,286
Due from Component Unit	1,692,297	-	1,692,297
Inventories	2,603,446	-	2,603,446
Prepaid expenses	4,747,338	-	4,747,338
Student loans receivable - current portion, net	1,417,984	-	1,417,984
Total current assets	<u>94,527,949</u>	<u>816,692</u>	<u>95,344,641</u>
Non-current assets:			
Restricted cash and cash equivalents	48,348,255	-	48,348,255
Investments held by others	64,836,899	-	64,836,899
Investments held in trust by Component Unit for NMSU	40,480,835	-	40,480,835
Other long-term investments	64,278,368	32,427	64,310,795
Student loans receivable, net	12,761,858	-	12,761,858
Prepaid expenses	8,830	-	8,830
Capital assets, net	506,109,018	-	506,109,018
Total non-current assets	<u>736,824,063</u>	<u>32,427</u>	<u>736,856,490</u>
TOTAL ASSETS	<u>831,352,012</u>	<u>849,119</u>	<u>832,201,131</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>32,880,884</u>	<u>-</u>	<u>32,880,884</u>
LIABILITIES			
Current liabilities:			
Accounts payable	15,055,054	18,252	15,073,306
Other accrued liabilities	17,909,493	-	17,909,493
Unearned revenue	17,436,503	7,814	17,444,317
Accrued interest payable	1,797,092	-	1,797,092
Held in trust by NMSU	5,953,493	-	5,953,493
Long-term liabilities - current portion	14,956,154	-	14,956,154
Total current liabilities	<u>73,107,789</u>	<u>26,066</u>	<u>73,133,855</u>
Non-current liabilities:			
Accrued benefit reserves	659,630	-	659,630
Other long-term liabilities	173,814,595	-	173,814,595
Net pension liability	431,412,011	-	431,412,011
Total non-current liabilities	<u>605,886,236</u>	<u>-</u>	<u>605,886,236</u>
TOTAL LIABILITIES	<u>678,994,025</u>	<u>26,066</u>	<u>679,020,091</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>45,877,193</u>	<u>-</u>	<u>45,877,193</u>
NET POSITION			
Net investment in capital assets	386,894,891	-	386,894,891
Restricted for:			
Non-expendable:			
Endowments	92,939,772	-	92,939,772
Expendable:			
Endowments	1,973,617	-	1,973,617
Federal student loans	17,528,384	-	17,528,384
Capital projects	7,253,083	-	7,253,083
Related entity activities	-	823,053	823,053
Unrestricted	<u>(367,228,109)</u>	<u>-</u>	<u>(367,228,109)</u>
TOTAL NET POSITION	<u>\$ 139,361,638</u>	<u>\$ 823,053</u>	<u>\$ 140,184,691</u>

See accompanying independent auditors' report

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

	New Mexico State University 2015	Arrowhead Center, Inc. 2015	Total Primary Institution 2015
REVENUES			
Operating revenues:			
Student tuition and fees (gross)	\$ 113,694,414	\$ -	\$ 113,694,414
Less: Scholarship allowances	(41,290,643)	-	(41,290,643)
Student tuition and fees (net)	<u>72,403,771</u>	<u>-</u>	<u>72,403,771</u>
Federal appropriations, grants and contracts	106,972,461	-	106,972,461
State grants and contracts	12,947,408	-	12,947,408
Local appropriations, grants and contracts	2,852,054	-	2,852,054
Non-governmental grants and contracts	8,682,660	-	8,682,660
Sales and services	5,067,442	-	5,067,442
Auxiliary Enterprises (Net of Scholarship Allowances)	16,687,867	-	16,687,867
Other operating revenues	14,333,950	-	14,333,950
Total operating revenues	<u>239,947,613</u>	<u>-</u>	<u>239,947,613</u>
EXPENSES			
Operating expenses:			
Instruction	149,097,948	-	149,097,948
Research	106,274,698	-	106,274,698
Public service	44,691,313	-	44,691,313
Academic support	28,392,918	-	28,392,918
Student services	16,482,314	-	16,482,314
Institutional support	33,307,526	-	33,307,526
Operation and maintenance of plant	51,735,020	-	51,735,020
Scholarships and fellowships	33,738,190	-	33,738,190
Auxiliary enterprises	23,490,860	-	23,490,860
Independent operations	16,937,428	-	16,937,428
Intercollegiate athletics	17,651,165	-	17,651,165
Student social and cultural	4,249,672	-	4,249,672
Loan administration (net)	(262,921)	-	(262,921)
Depreciation	34,125,832	-	34,125,832
Total operating expenses	<u>559,911,963</u>	<u>-</u>	<u>559,911,963</u>
Net operating income (expense)	<u>(319,964,350)</u>	<u>-</u>	<u>(319,964,350)</u>
Non-operating revenues (expenses):			
State appropriations	206,794,189	-	206,794,189
Federal Pell Grants	44,817,564	-	44,817,564
State Lottery Scholarship	17,687,420	-	17,687,420
Local Tax Levy Revenue	12,552,912	-	12,552,912
Gifts and non-exchange grants	10,657,397	-	10,657,397
Investment income	1,055,525	-	1,055,525
Building fees	3,723,460	-	3,723,460
Loss on disposal of plant	(1,009,093)	-	(1,009,093)
Additions to quasi endowments	189,119	-	189,119
Interest and other expenses on capital asset-related debt	(5,419,966)	-	(5,419,966)
Other non-operating revenues (expenses)	(5,583,853)	(226,331)	(5,810,184)
Net non-operating revenues (expenses)	<u>285,464,674</u>	<u>(226,331)</u>	<u>285,238,343</u>
Income before other revenues, expenses, gains or losses	(34,499,676)	(226,331)	(34,726,007)
Capital appropriations	19,108,869	-	19,108,869
Capital grants, gifts and other income	6,176,799	-	6,176,799
Additions to permanent endowments	1,245,581	-	1,245,581
Decrease in net position	\$ (7,968,427)	\$ (226,331)	\$ (8,194,758)
NET POSITION			
Beginning of year (as adjusted)	<u>147,330,065</u>	<u>1,049,384</u>	<u>148,379,449</u>
End of year	<u>\$ 139,361,638</u>	<u>\$ 823,053</u>	<u>\$ 140,184,691</u>

See accompanying independent auditors' report

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	\$ 102,151,929	\$ 127,816,715	\$ 127,726,772	\$ (89,943)
Unrestricted and restricted revenues:				
Tuition and fees income	206,508,800	206,788,124	206,794,190	6,066
Federal revenue sources	173,185,448	159,073,993	151,938,675	(7,135,318)
State government appropriations	120,213,749	112,884,002	113,480,096	596,094
Endowment and private gifts	9,089,697	11,283,071	9,134,597	(2,148,474)
Land and permanent fund	2,765,000	3,681,910	3,824,304	142,394
Other sources	159,323,665	174,889,303	153,076,322	(21,812,981)
Total unrestricted and restricted revenues	671,086,359	668,600,403	638,248,184	(30,352,219)
Unrestricted and restricted expenditures:				
Instruction	\$161,456,152	\$159,342,031	\$150,446,953	8,895,078
Academic support	31,115,095	33,800,817	31,771,948	2,028,869
Student services	18,505,728	19,474,356	18,265,591	1,208,765
Institutional support	33,142,049	33,284,677	32,911,767	372,910
Operation and maintenance	28,359,416	25,088,326	25,254,567	(166,241)
Subtotal instruction and general	272,578,440	270,990,207	258,650,826	12,339,381
Student social and cultural activities	4,768,684	5,184,058	4,357,730	826,328
Research	130,501,764	125,665,395	120,790,442	4,874,953
Public service	47,998,958	47,885,688	46,641,789	1,243,899
Internal services	2,358,945	1,516,880	(72,506)	1,589,386
Student aid, grants and stipends	95,303,479	88,555,950	80,961,831	7,594,119
Auxiliary services	25,570,154	27,817,028	24,178,273	3,638,755
Intercollegiate athletics	17,445,562	19,267,067	18,051,925	1,215,142
Independent operations	17,314,263	17,339,370	17,335,888	3,482
Capital outlay	44,718,210	62,385,140	52,145,563	10,239,577
Renewal and replacement	17,392,595	14,506,564	11,200,201	3,306,363
Retirement of indebtedness	14,597,215	14,648,716	14,598,716	50,000
Total unrestricted and restricted expenditures	690,548,269	695,762,063	648,840,678	46,921,385
Net transfers to (from)	-	-	-	-
Change in fund balance (budgetary basis)	(19,461,910)	(27,161,660)	(10,592,494)	16,569,166
Ending fund balance	\$ 82,690,019	\$ 100,655,055	\$ 117,134,278	\$ 16,479,223

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.

See accompanying independent auditors' report

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	\$ 23,926,379	\$ 30,335,753	\$ 30,335,753	\$ -
Unrestricted revenues:				
Tuition and fees income	\$98,917,092	\$91,837,752	\$91,368,729	(469,023)
Miscellaneous Fees	7,418,432	7,562,752	8,050,016	487,264
Federal government appropriations	-	-	-	-
State government appropriations	158,873,900	158,953,324	158,953,384	60
Local government appropriations	11,407,498	12,652,954	12,552,912	(100,042)
Federal government grants and contracts	160,000	87,398	87,649	251
State government grants and contracts	-	-	-	-
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	2,765,000	3,681,910	3,824,304	142,394
Private gifts	10,000	26,923	1,769	(25,154)
Sales and services	384,500	503,100	689,102	186,002
Other sources	14,399,141	14,741,674	14,955,317	213,643
Total unrestricted revenues	<u>294,335,563</u>	<u>290,047,787</u>	<u>290,483,182</u>	<u>435,395</u>
Unrestricted expenditures:				
Instruction	\$145,504,910	\$143,786,897	\$138,313,750	5,473,147
Academic support	29,346,539	31,563,634	29,931,753	1,631,881
Student services	17,676,533	18,628,439	17,509,523	1,118,916
Institutional support	32,687,279	32,820,177	32,692,982	127,195
Operation and maintenance	28,330,116	25,056,226	25,230,877	(174,651)
Total unrestricted expenditures	<u>253,545,377</u>	<u>251,855,373</u>	<u>243,678,885</u>	<u>8,176,488</u>
Net transfers to (from)	<u>40,686,929</u>	<u>46,575,083</u>	<u>45,703,464</u>	<u>871,619</u>
Change in fund balance (budgetary basis)	103,257	(8,382,669)	1,100,833	9,483,502
Ending fund balance	<u>\$ 24,029,636</u>	<u>\$ 21,953,084</u>	<u>\$ 31,436,586</u>	<u>\$ 9,483,502</u>

See accompanying independent auditors' report

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	12,298,907	10,891,345	7,794,461	(3,096,884)
State government grants and contracts	2,436,362	2,531,200	2,255,535	(275,665)
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	1,431,700	1,902,903	1,639,620	(263,283)
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	2,866,094	3,809,386	3,282,325	(527,061)
Sales and services	-	-	-	-
Other sources	-	-	-	-
Total restricted revenues	<u>19,033,063</u>	<u>19,134,834</u>	<u>14,971,941</u>	<u>(4,162,893)</u>
Restricted expenditures:				
Instruction	15,951,242	15,555,134	12,133,203	3,421,931
Academic support	1,768,556	2,237,183	1,840,195	396,988
Student services	829,195	845,917	756,068	89,849
Institutional support	454,770	464,500	218,785	245,715
Operation and maintenance	29,300	32,100	23,690	8,410
Total restricted expenditures	<u>19,033,063</u>	<u>19,134,834</u>	<u>14,971,941</u>	<u>4,162,893</u>
Net transfers to (from)	-	-	-	-
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report

Schedule 3 - Budgetary Comparison Schedules - Combined Campuses

Reconciliation of Budget
Unrestricted and Restricted - All Operations
For the Year Ended June 30, 2015

Total Unrestricted and Restricted Revenues:		\$ 638,248,184
Reconciling Items:		
Scholarship allowance	\$ (47,240,395)	
Elimination of Internal Revenues	(17,016,465)	
Endowment fund revenues	(2,444,843)	
Blended Component Unit Revenues (AHC, ADI)	676,270	
Loan Fund Additions	167,511	
Financial statement adjustments	(2,096,282)	
Unexpended Plant Revenue reclassification	(7,117,853)	
Total reconciling items		<u>(75,072,057)</u>
Total reconciled unrestricted and restricted revenues		<u>\$ 563,176,127</u>
Basic Financial Statements		
Operating revenues		\$ 239,947,613
Non-operating revenues		297,477,586
Non-operating revenues netted in other non-operating revenues and expenses		(780,321)
Other Revenues		<u>26,531,249</u>
Total revenues per Financial Statements		<u>\$ 563,176,127</u>
Difference		<u>\$ -</u>
Total Unrestricted and Restricted Expenses:		\$ 648,840,678
Reconciling Items:		
Scholarship allowance	\$ (47,240,395)	
Elimination of Internal Sales	(17,016,465)	
Blended Component Unit expenditures (AHC, ADI)	907,377	
Depreciation expense	34,125,832	
Loan fund expenditures	(262,921)	
Other Operating expenses	3,599,950	
Capitalized expenditures	(40,233,037)	
Bond principal payments	(9,158,750)	
Pension Expense	(668,686)	
Adjustment to Contingent Liability	(1,411,541)	
Accounts Payable accrual, net	934	
Financial statement reporting adjustments	5,996,669	
Unexpended Plant Revenue reclassification	(7,117,853)	
Loss on disposal of plant	1,009,093	
Total reconciling items		<u>(77,469,793)</u>
Total reconciled unrestricted and restricted expenses		<u>\$ 571,370,885</u>
Basic Financial Statements		
Operating expenditures		\$ 559,911,963
Non-operating expenditures		6,429,059
Non-operating expenditures netted in other non-operating revenues and expenses		<u>5,029,863</u>
Total Expenditures per Financial Statements		<u>\$ 571,370,885</u>
Difference		<u>\$ -</u>

See accompanying independent auditors' report

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

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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				\$ 31,100
FIRST NATIONAL BANK OF ALAMOGORDO					
<i>Cash</i>	Mortgage-Backed	31418BBB1	3/1/2024	\$ 795,654	\$ 1,063,726
GRANTS STATE BANK					
<i>Cash</i>	None				\$ 17,088
WELLS FARGO BANK OF NEW MEXICO					
<i>Cash</i>	FNMA	3138ASWB4	9/1/2041	\$ 7,691,183	
	FNMA	3138MKPU4	11/1/2042	\$ 1,735,733	
	FNMA	3138NYWW1	12/1/2042	\$ 7,175,726	
	FNMA	3138X0ZA9	7/1/2043	\$ 1,721,607	
	FNMA	3138X3XX5	9/1/2043	\$ 37,576,417	
	FNMA	31417A4S5	2/1/2042	\$ 7,051,018	
	FNMA	3418ASX7	5/1/2043	\$ 9,614,402	
	FNMA	31419AK30	9/1/2040	\$ 6,126,301	\$ 63,621,021
WESTERN COMMERCE BANK, CARLSBAD					
<i>Cash</i>	GNMA	876947	11/20/2029	\$ 10,774	
	GNMA	80581	2/20/2032	\$ 10,914	\$ 23,581
WELLS FARGO SECURITIES, LLC (CERTIFICATES OF DEPOSIT)					
<i>State Bk India Ny Interest Bearing CD</i>	None				\$ 250,000
<i>Beal Bank Usa Interest Bearing CD</i>	None				250,000
<i>Synovus Bank Ga Interest Bearing CDeposit</i>	None				250,000
<i>Usameribank Interest Bearing CD</i>	None				250,000
<i>Cathay Bk Interest Bearing CD</i>	None				250,000
<i>Oriental Bk & Tr Interest Bearing CD</i>	None				250,000
<i>Everbank Interest Bearing CD</i>	None				250,000
<i>Bank Of China Interest Bearing CD</i>	None				250,000
<i>Wilshire Bancorp Inc Interest Bearing CD</i>	None				250,000
<i>Capital Bank Interest Bearing CD</i>	None				250,000
<i>Discover Bank Interest Bearing CD</i>	None				250,000
<i>Goldman Sachs Bk Interest Bearing CD</i>	None				250,000
<i>Merrick Bank Interest Bearing CD</i>	None				250,000
<i>Peoples United Bk Int Bearing CD</i>	None				250,000
<i>Comenity Capital Bk Interest Bearing CD</i>	None				250,000
<i>American Express Cent Bk Interest Bearing CD</i>	None				250,000
<i>Sallie Mae Bk Interest Bearing CD</i>	None				250,000
<i>Capital One Bk Interest Bearing CD</i>	None				250,000
<i>Ally Bank Interest Bearing CD</i>	None				250,000
<i>Cit Bank Ut Interest Bearing CD</i>	None				250,000
<i>Compass Bank Interest Bearing CD</i>	None				250,000
<i>Midcoast Community Bank Interest Bearing CD</i>	None				250,000
<i>Barclays Bank Interest Bearing CD</i>	None				250,000
<i>Bmw Bk North Amer Interest Bearing CD</i>	None				250,000
					\$ 6,000,000

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

See accompanying independent auditors' report

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

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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>	\$ 31,107	\$ -	\$ -	\$ -
FIRST NATIONAL BANK OF ALAMOGORDO				
<i>Cash</i>	\$ 250,000	\$ 813,727	\$ 795,654	\$ 388,790
GRANTS STATE BANK				
<i>Cash</i>	\$ 17,088	\$ -	\$ -	\$ -
WELLS FARGO BANK OF NEW MEXICO				
<i>Cash</i>	\$ 25,222,482	\$ 38,398,539	\$ 78,692,387	\$ 59,493,118
WESTERN COMMERCE BANK, CARLSBAD				
<i>Cash</i>	\$ 23,581	\$ -	\$ 21,688	\$ 21,688
WELLS FARGO SECURITIES, LLC (CERTIFICATES OF DEPOSIT)				
<i>State Bk India Ny Interest Bearing CD</i>	\$ 250,000	-	-	-
<i>Beal Bank Usa Interest Bearing CD</i>	250,000	-	-	-
<i>Synovus Bank Ga Interest Bearing CD</i>	250,000	-	-	-
<i>Usameribank Interest Bearing CD</i>	250,000	-	-	-
<i>Cathay Bk Interest Bearing CD</i>	250,000	-	-	-
<i>Oriental Bk & Tr Interest Bearing CD</i>	250,000	-	-	-
<i>Everbank Interest Bearing CD</i>	250,000	-	-	-
<i>Bank Of China Interest Bearing CD</i>	250,000	-	-	-
<i>Wilshire Bancorp Inc Interest Bearing CD</i>	250,000	-	-	-
<i>Capital Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Discover Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Goldman Sachs Bk Interest Bearing CD</i>	250,000	-	-	-
<i>Merrick Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Peoples United Bk Int Bearing CD</i>	250,000	-	-	-
<i>Comenity Capital Bk Interest Bearing CD</i>	250,000	-	-	-
<i>American Express Cent Bk Interest Bearing CD</i>	250,000	-	-	-
<i>Sallie Mae Bk Interest Bearing CD</i>	250,000	-	-	-
<i>Capital One Bk Interest Bearing CD</i>	250,000	-	-	-
<i>Ally Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Cit Bank Ut Interest Bearing CD</i>	250,000	-	-	-
<i>Compass Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Midcoast Community Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Barclays Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Bmw Bk North Amer Interest Bearing CD</i>	250,000	-	-	-
	\$ 6,000,000	\$ -	\$ -	\$ -

See accompanying independent auditors' report

Schedule 5 – 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 (FWCE) 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 2015. The funds available for this project are \$51,100. The total expenses for the current year's agreement are \$9,568. 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 \$50,196. 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 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 \$2,028. 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 (CLI) under the State Court Improvement (CIP) initiatives for the Basic and Data Grant related to child abuse and neglect, foster care and adoption. Responsibilities will include the following, but not limited to: facilitating CLI planning meetings, developing the three-day CLI Conference program and agenda. The agreement continues in effect until the end of the contract, which is June 30, 2015, or upon all parties' written agreement to terminate this agreement. The total funds available for this project are \$33,000. The total expenses for the current year's agreement are \$29,893.81. 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 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 \$2,086. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.

See accompanying independent auditors' report

Schedule 5 – Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU)

6. 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 \$1,137. 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 New Mexico Department of Health (DOH) entered into a Memorandum of Agreement (Understanding) in order to provide student support from the Entity to the DOH to support areas of communications, administration and special projects as needed. The agreement was entered in effect until the end of the contract, which is June 30, 2015. The total funds available for this project are \$25,650. The total expenses for the current year's agreement are \$25,451. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
8. The Regents of New Mexico State University and the Las Cruces Public School District (LCPS) entered into a Memorandum of Agreement (Understanding) to provide two cohorts and to consist of 10 (ten) teachers each; that will participate in a graduate certificate specific for autism delivered via Online university coursework. LCPS will register the approved student for each fall and spring semester and be invoiced by NMSU for the tuition costs. Each semester, NMSU will be compensated for one course per student. Cohort I will attend two years (2014-2016) and Cohort II will attend two years (2015-2017) for a total of four years of the agreement. The courses must meet the university standard of ten graduate students or will be cancelled due to low enrollment. The agreement was entered in effect August 1, 2014 until the end of the contract, which is June 30, 2017. The total funds available for this project are \$100,000. The total expenses for the current year's agreement are \$3,845. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
9. New Mexico State University and New Cingular Wireless PCS LLC (Cingular) entered into a Memorandum of Understanding regarding the installation of a new antenna on the leased light pole located at 3134 Wells St., Aggie Memorial Stadium. The agreement entered into effect August 24, 2015 and continues in effect until the end of the contract, which will be followed after Amendment 2. The total funds available for this project will be determined once Facilities Services provides Cingular with the cost of the modification/invoice while Crafton/Goodman Networks will provide the cost/invoice to Cingular. Once approved, Cingular will issue the check for the same to NMSU. The total expenses for the current year's agreement are \$115,576. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
10. The Regents of New Mexico State University Wellness Alcohol Violence Education and the City of Las Cruces entered into a Memorandum of Agreement (Understanding) in order to provide City employees with one training seminar the first Wednesday of every month beginning March 2015 through November 2015 to provide opportunities for City staff participants to discuss questions and answers relevant to the training topic to promote citizenship, health, wellness and education. The agreement was entered in effect until the end of the contract, which is March 2016. The total funds available for this project are \$3,000. The total expenses for the current year's agreement are \$1,134. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.

See accompanying independent auditors' report

Schedule 6 - Schedule of Vendor's exceeding \$60,000 in Expenditures (Unaudited)

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of-State Vendor	In-state and Veteran's preference	Brief Description of the Scope of Work
201402043-P	Competitive	Mevacon	307,933	323,015	Mevacon LLC, 1207 Scoggins Ave. Las Cruces NM 88005	Y	N	Farming and Youth Education
					ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	
					R-Con Construction, 3401 Montecito Ct. Las Cruces NM 88011	Y	Y	
					Roper Construction, 11 Mira Monte, Alto NM 88312	Y	N	
					Vigil Construction, 1512 Coors SW, Albuquerque NM 87121	Y	N	
201402048-P	Competitive	White Sands Construction	531,928	610,684	White Sands Construction, PO Box 1745, Alamogordo NM 88310	Y	N	NMSU Spiritual Center
					Mevacon LLC, 1207 Scoggins Ave. Las Cruces NM 88005	Y	N	
					Pavillion Construction, 7820 Pan American Freeway East NE, Albuquerque NM 87109	Y	N	
201402058-FG	Competitive	HMH Horizon Mechanical	Pricing Agreement- Open Ended		HMH Horizon Mechanical, 940 N. Valley Dr. Las Cruces NM 88005	Y	N	Backflow Annual Inspection Cert. and Repair
201402059-EH	Competitive	Williams Design Group	64,763	64,763	Williams Design Group, 1014 S Main St, Las Cruces NM 88005	Y	N	A/E Design DACC Building 341 Renovations
					Steve Newby Architects, 1041 South Main St , Las Cruces NM 88005	Y	N	
					Nine Degrees Architecture and Design Group Inc , 176 Yellowlegs Santa Teresa NM	Y	N	
					ASA Architects, PO Box 146 Las Cruces NM 88004	Y	N	
					Hartman Majewski DG, 120 Vassor Dr SE Albq NM 87106	Y	N	
					FBT Architects, 6501 Americas Parkway NE Suite 300 Albq NM 87110	Y	N	
					MLC Architects, 7701 Innovative Way NE Rio Rancho NM 87144	N	Y	
					Studio SW Architects, 2101 Mountain Rd NW Albq NM 87104	Y	N	
					M3 Architecture, 2501 W Sunset Suite 101 Tuscon AZ 85704	N	N	
201402065- RA	Competitive	Williams Design Group	70,159	70,159	Williams Design Group, 1014 S Main St, Las Cruces NM 88005	Y	N	A/E Design Expansion of DACC Gadsen
					AKS Architects, 1691 Hickory Loop, Las Cruces, NM 88005	Y	N	
					ASA Architects, PO Box 146 Las Cruces NM 88004	Y	N	
					Dekker Perich Sabatini, 7601 Jefferson NE Suite 100 Albq NM 87109	Y	N	
					FBT Architects, 6501 Americas Parkway NE Suite 300 Albq NM 87110	Y	N	
					MLC Architects, 7701 Innovative Way NE Rio Rancho NM 87144	N	Y	
					Nine Degrees Architecture and Design Group Inc , 176 Yellowlegs Santa Teresa NM	Y	N	
					The Design Group, 120 Vasser Dr SE Suite 100 Albq NM 87106	Y	N	
					Wilson & Company Inc, 4900 Lang Ave NE Albq NM 87199	Y	N	
201402057-P	Competitive	ESA Construction, Wooten Construction, LC Structural, National Construction	On Call		ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	On Call
					Wooten Construction, PO Box 1839 Las Cruces NM 88005	Y	N	
					LC Structural, 720 E Chestnut Ave Las Cruces NM 88001-88005	Y	Y	
					National Construction, PO Box 1324 Alamogordo NM 88301	Y	N	
					Alpha Building, 1805 Futurity Rd Suite 1 Sunland Park NM 88063	N	N	
					Basic IDIQ, 7015 W Tidwell Suite G111A Houston TX 77092	N	N	
					Brycon Corp, 134 Rio Rancho Blvd Rio Rancho NM 87124	Y	N	
					B&H Mechanical Inc, 1001 Parkhill Drive Las Cruces NM 88012	Y	N	
					C&E Industrial, PO Box 221437 El Paso TX 79913	Y	N	
					Classic Industrial, PO Box 434 Dona Ana NM 88032	Y	N	
					Hudspeth & Associates, 3756 Hawkins St NE Albq NM 87109	Y	N	
					MGB Group/ Licon, 2101 Missouri Ave El Paso TX 79903	N	N	
					Mevacon LLC, 1207 Scoggins Ave. Las Cruces NM 88005	Y	N	
					Renegade Construction, PO Box 830 Fair Acres NM 88033	Y	N	
					SW General Construction, PO Box 595 Las Cruces NM 88005	Y	N	
					Veliz Construction, 2910 Gateway East El Paso TX 79905	N	N	
					Williamson Restoration, 2323-A Aztec NE Albq NM 8710	Y	N	
					White Sands Construction, PO Box 1745, Alamogordo NM 88310	Y	N	
201402052-P	Competitive	The Bugyman Exterminators	Pricing Agreement		The Bugyman Exterminators LTD, PO Box 8523 Las Cruces NM 88006	Y	N	Pest Elimination Services
					Best Pest Control, 1721 Jerry Abbott Dr El Paso TX 79936	N	N	
					Carter Services Inc, PO Box 342 Farmington NM 87499	Y	N	
					Truly Nolan Pest Control, 3618 Buckner St El Paso TX 79925	N	N	
201401067-FG	Competitive	Laerdal Medical Corporation	68,312		Laerdal Medical Corporation, 167 Myers Corners Rd, Wappingers Falls NY 12590	N	N	Manikin & Accessories
201401066-EH	Competitive	Faxitron Bioptics	164,990		Faxitron Bioptics LLC, 3440 E Britanna Dr Suite 150 Tucson Arizona 85706	N	N	X Ray Irradiation System
					Precision X Ray Inc, 15 Commerce Dr unit 1 , North Branford CT 06471	N	N	
201401068-EH	Competitive	Renegade Construction	177,117		Renegade Construction, PO Box 830 Fair Acres NM 88033	Y	N	
					Anchor Built Inc, 304 Indiana SE Albq NM 87108	Y	N	
					CD General Contractors , PO Box 8637 Las Cruces NM 88006	Y	N	

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					Century Club Construction, 8201 Golf Course Rd NW Ste 03-295 Albq NM 87120	Y	Y	
					Classic Industries, PO Box 434 Dona Ana NM 88032	Y	N	
					Denco Inc, 1990 Bataan Memorial East, Suite 100 Las Cruces NM 88011	Y	N	
					Duran Construction, 1441 Union Ave Las Cruces NM 88005	Y	N	
					ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	
					Gallardo Construction, 850 Motel Blvd Suite B Las Cruces NM 88007	Y	N	
					Highland Enterprises, PO Box 2409 Las Cruces NM 88004	Y	N	
					R-Con Construction, 3401 Montecito Ct Las Cruces NM 88011	Y	Y	
					Mevacon LLC, 1207 Scoggins Ave. Las Cruces NM 88005	Y	N	
					Warren Construction, 2470 Lakeside Dr. Las Cruces NM 88007	Y	N	
					White Sands Construction, PO Box 1745 Alamogordo NM 88311	Y	N	
201402073-P	Competitive	Nine Degrees	256,151		Nine Degrees Architecture and Design Group Inc , 176 Yellowlegs Santa Teresa NM	Y	N	A/E Services for CABCC Main Campus Fire Sprinkler System/Reroof
					ASA Architects, PO Box 146 Las Cruces NM 88004	Y	N	
					Crenshaw Consulting Group LP,1901 Royal Ln Suite 110, Dallas TX 75229	N	N	
					New Republic Desin Co, 7100 Westwind Suite 150 El Paso TX 79912	N	N	
					NPSR Architects Inc, 606 W Pierce St Carlsbad NM 88220	Y	N	
201401074-F	Competitive	Brucker Biospin	79,860		Brucker Biospin Corp, PO Box 536510, Pittsburgh PA 15253	N	N	E-Scan Equipment
201402080-FG	Competitive	Helena Chemical		Pricing Agreement	Helena Chemical Co, 251 John Grishman Dr, Mequite NM 88048	Y	N	Supply Chemicals (Fertilizer, Insecticide, etc.)
					R&M Government Services, 650 Montana, Suite A Las Cruces NM 88001	Y	Y	
					Ewing Irrigation Products, 2341 Westgate Ct. Las Cruces NM 88005	Y	N	
					ADAPCO Inc, PO Box 931574, Atlanta GA 31193	N	N	
					Alligare LLC, 13 N 8th St, Opelika, AL 36801	N	N	
201402078-P	Competitive	Expert Care	On Call		Expert Care Inc, PO Box 7855 Las Cruces NM 88006	Y	N	Cleaning Services for NMSU housing
					JCNM, PO Box 36570 Albq NM 87176	Y	N	
201402071- EH	Competitive	ESA Construction	1,157,360	1,287,063	ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	DACC Central Campus Utilities Improvement Project
					CD General Contractors , PO Box 8637 Las Cruces NM 88006	Y	N	
					C&E Industrial, PO Box 221437 El Paso TX 79913	Y	N	
					Classic Industries, PO Box 434 Dona Ana NM 88032	Y	N	
					Warren Construction, 2470 Lakeside Dr. Las Cruces NM 88007	Y	N	
201402079-P	Competitive	Camp, Dresser, & McKee (CDM Smith)	138,583		CDM Smith Inc, 6000 Uptown Blvd NE, Suite 200 Albq NM 87110	Y	N	Former NMSU Landfill Closure A/E Services
					Amec Environment & Infrastructure, 8510 Jefferson NE, Albq NM 87113	Y	N	
					Dwyer Engineering, 1813 Stagecoach Rd SE, Albq NM 87123	Y	N	
					Gordon Environment, 213 South Camino del Pueblo, Bernalillo NM 87004	Y	N	
					Parkhill, Smith, Cooper, 115 W Griggs Las Cruces NM 88001	Y	N	
					Souder Miller & Associates, 401 N Seventeenth St Suite 4, Las Cruces NM 88005	Y	N	
					Zia Engineering & Enviornmental, 755 S Telshor Blvd Suite F-201, Las Cruces NM 88011	Y	N	
201402072-FG	Competitive	Presley Printing & Mailing Del Valle Design & Printing	Service agreement		Presley Printing & Mailing, 2391 N Mesquite, Las Cruces NM 88001	Y	N	offsite printing- service agreement
					Del Valle Design & Imaging, 266 W Court Ave Las Cruces NM 88005	Y	N	
					Captiva Group. 3838 Bogan Ave NE, Albq NM 87109	Y	N	
					Arizona Lithographers, 383 N Commerce Park Loop, Tucson AZ 85745	N	N	
					Guynes Packaging & Printing, 927 Tony Lama, EL Paso TX 79915	N	N	
201402081- RA	Competitive	Moss Adams LLP	PSC		Moss Adams LLP, 6565 Americas Parkway NE Suite 600 Albq NM 87110	Y	N	Cost Segregation
					Clifton Larson Allen LLP, 500 Marquette Ave Suite 800, Albq NM 87102	Y	N	
					Axiom, 316 Osuna Rd NE Suite 401, Albq NM 87107	Y	N	
					REDW, 7425 Jefferson St NE, Albq NM 87109	Y	N	
201501002-F	Competitive	Teletronics Technology	218,770		Teletronics Technology Corporation, 15 Terry Dr. Newton PA 18940	N	N	Transponder Test Kit
					Lynco Electric Co Inc, 1520 W. Amador Las Cruces NM 88005	Y	N	
201402084-P	Competitive	ESA Construction	593,200	611,827	ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	Main Campus Zone 2000 Tunnel System Repair
					Highland Enterprises, PO Box 2409 Las Cruces NM 88004	Y	N	
					LC Structural,720 E Chestnut Ave Las Cruces NM 88001-88005	Y	Y	
					Smith & Aguirre Construction, PO Drawer 2276 Las Cruces NM 88004	Y	N	
201501004-F	Competitive	Argyle Welding Supply	89,387		Argyle Welding Supply Inc, PO Box 6889 Albq NM 87197	Y	N	Welding Equipment for DACC
					Airgas Inc, 350 Archuleta Rd Las Cruces NM 88005	Y	N	

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201502003-RA	Competitive	Deloitte	618,905		AMY Supplies, 5426 Amapole Las Cruces NM 88007	Y	N	Staffing Survey
					Deloitte Consulting LLP, 4022 Sells Dr Hermitage TN 37076	N	N	
					Papas Consulting Group, 117 Island Cove Way, Palm Beach Gardens Florida 33418	N	N	
					Buck Consultants, 485 Lexington Ave New York NY 10017	N	N	
					Sibson Consulting, 1230 W Washington St Suite 501, Tempe AZ 85281	N	N	
201501099-F	Competitive	X-Cal Corp	164,650		X-Cal Corporation, PO Box 218407 Houston TX 77218	N	N	Solar Energy Training System for NMSU Alamogordo
201502006-EH	Competitive	Enoch Mechanical	875,616		Enoch Mechanical Inc, PO Box 15130 Las Cruces NM 88005	Y	N	Carlsbad Instructional Building HVAC
					C&E Industrial, PO Box 221437 El Paso TX 79913	N	N	
					Rhodes Co, 107 E 6th St Roswell NM 88201	Y	N	
201501011-EH	Competitive	ESA Construction	229,557	248,297	ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	Tejada Building RM 102 Renovation
					C&E Industrial, PO Box 221437 El Paso TX 79913	Y	N	
					Rivercrest Construction, 4300 Standever Court SW Albq NM 87105	Y	N	
201502015-EH	Competitive	RMKM Architecture	162,811		RMKM Architecture P C, 400 Gold Ave SE Studio 1100, Albq NM 87102	Y	N	A/E Services for Dan W Williams Renovation
					Dekker Perich Sabatini, 7601 Jefferson NE Suite 100 Albq NM 87109	Y	N	
					Vigil & Associates, PO Drawer Z Mesilla NM 88046	Y	N	
					Atkin Olshin Schade Architects, 1807 Second St Suite 34, Santa Fe NM 87505	Y	N	
					FBT Architects, 65011 Americas Parkway Suite 300, Albq NM 87110	Y	N	
					Parkhill, Smith, Cooper, 115 W Griggs Las Cruces NM 88001	Y	N	
					ASA Architects, PO Box 146 Las Cruces NM 88004	Y	N	
					Greer Stafford / SJCF Architecture, 1717 Louisiana Blvd Suite 205 Albq NM 87110	Y	N	
					Van Gilbert Architect PC, 2428 Baylor Dr SE Albq NM 87106	Y	N	
					Hartman & Majewski Design Group, 120 Vasser Dr SE Suite 100, Albq NM 87106	Y	N	
201501016-EH	Competitive	A Mountain	95,102	103,179	A Mountain Professional Construction LL, 1177 Scoggins Ave Las Cruces NM 88005	Y	N	NMSU Parking Lot 64 Renovation
					Renegade Construction, PO Box 830 Fair Acres NM 88033	Y	N	
					Gallardo Construction, 850 Motel Blvd Suite B Las Cruces NM 88007	Y	N	
					Paramount Construction Solutions, PO Box 2105 Las Cruces NM 88004	Y	N	
					Desert Fox , PO Box 1499 Peralta NM 87042	Y	N	
					G. Sandoval Construction, 2000 E Lohman Ave Ste C Las Cruces NM 88005	Y	N	
					Smith & Aguirre Construction, PO Drawer 2276 Las Cruces NM 88004	Y	N	
					Burn Construction, PO Box 1869 Las Cruces NM 88004	Y	Y	
					Mans Construction, 1001 E University Ave Las Cruces NM 88001	Y	N	
					Highland Enterprises, PO Box 2409 Las Cruces NM 88004	Y	N	
201501021-F	Competitive	Advanced Technologies	151,562		TS Enterprises Assoc Inc Advanced Tech Consultants, PO Box 905 110 W Main St Northville MI 48167	N	N	Solar Equipment for NMSU Alamogordo
					Lynco Electric Co Inc, 1520 W. Amador Las Cruces NM 88005	Y	N	
201502018-P	Competitive	KPMG	229,227		KPMG LLP, PO Box 120754 Dallas TX 75312	N	N	Audit Services
					Grant Thornton LLP, 2398 Camelback Rd Suite 600 Phoenix AZ 85016	N	N	
					Clifton Larson Allen LLP, 500 Marquette Ave Suite 800, Albq NM 87102	Y	N	
					Moss Adams LLP, 6565 Americas Parkway NE Suite 600 Albq NM 87110	Y	N	
201501019-P	Competitive	Lynco Electric			Lynco Electric Co Inc, 1520 W. Amador Las Cruces NM 88005	Y	N	Knox Hall Fire Alarm System Sprinkler System and Elevator Upgrades
					ESA Construction, 3435 Girard NE, Albuquerque NM 87107	Y	N	
201501024-EH	Competitive	NMASW	1,178,665		New Mexico Assoc. of Soil and Water, 163 Trail Canyon Rd Carlsbad NM 88220	Y	N	
201502025-EH	Competitive	Beaudin Ganze Engineers Consult Grp	63,923		Beaudin Gaze Consulting Engineers Inc, 7007 Wyoming Blvd Ste F2, Albq NM 87109	Y	N	LEED Commissioning Authority for Engineering Complex Renovation
					GLHN Architects & Engineers Inc, 2939 E Broadway Blvd Tucson AZ 85716	N	N	
					Working Buildings, 1230 Peachtree St NE Atlanta GA 30309	N	N	
					Engineering Services Company, 2730 Huntington Dr Las Cruces NM 88001	N	N	
					TMCx Solutions, 1839 Alma School Rd Ste 204 Mesa AZ 85210	N	N	
					WH Pacific, 6501 Americas Parkway NE Ste 400 Albq NM 87110	Y	N	
					Mckinstry, 112 N Rubey Dr, Golden CO 80403	N	N	
					Group 14 Engineering, 1325 East 16th Ave Denver CO 80218	N	N	
					Noresco, 6565 Americas Parkway NE Ste 200, Albq NM 87110	N	N	
					Engineering Economics Inc, 11930 Menaul NE #224C Albq NM 87112	Y	N	

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Schedule 6 - Schedule of Vendor's exceeding \$60,000 in Expenditures (Unaudited)

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of- State Vendor	In-state and Veteran's preference	Brief Description of the Scope of Work
201501027-P	Competitive	CD Mechanical	297,245		Bath Commissioning, 5345 Wyoming Blvd NE Albq NM 87109 CD Mechanical Inc, 6881 Moongate Rd Las Cruces NM 88012	Y Y	N N	Coca Cola Field House Water Upgrade
201501028-FG	Competitive	Campbell Scientific	158,553		C&E Industrial, PO Box 221437 El Paso TX 79913 Campbell Scientific Inc, 815 West 1800 North, Logan Utah 84321	N N	N N	Lidar Wind Measurement System
201502029-EH	Competitive	12 FPS Inc	150,000		12 FPS Inc, 520 Hampshire St No. 206, San Francisco CA 94110 Manley Films & Media, 20 W Jackson St Phoenix AZ 85003 Nick Layman Media, 7301 Rockwood Rd. Albq NM 87121	N N Y	N N N	Video Production Services for NMSU
201501033-F	Competitive	Burchfield Automation	209,492		Burchfield Automation LLC, 220 Strawberry St Slidell LA 70460	N	N	Electromechanical Pan & Tilt System for NMSU PSL
201502034-FG	Competitive	Laun-Dry	Pricing Agreement		Laun-Dry Supply Company Inc, 3800 Durazno Ave. El Paso TX 79941 Spectrum Paper Co Inc, 27 Concord St El Paso TX 79906	Y N	N N	Janitorial Supplies- Chemical
201502035-FG	Competitive	Laun-Dry	Pricing Agreement		Laun-Dry Supply Company Inc, 3800 Durazno Ave. El Paso TX 79941 Spectrum Paper Co Inc, 27 Concord St El Paso TX 79906	Y N	N N	Janitorial Supplies- Paper
201502037-LB	Competitive	Creative Award Concepts	Pricing Agreement		Creative Award Concepts Inc, PO Box 1150 Tijeras NM 87059	N	N	Employee Awards
201501039-EH	Competitive	Smith & Aguirre	533,750		Smith & Aguirre Construction, PO Drawer 2276 Las Cruces NM 88004 Denco Inc, 1990 Bataan Memorial East, Suite 100 Las Cruces NM 88011 Bradburry Stamm Construction Inc, PO Box 10850 Albq NM 87184	Y Y Y	N N N	NMSU AiM Project #2391 Mcfie Circle Phase I
201501044-EH	Competitive	C&E Industrial	769,282	804,809	C&E Industrial, PO Box 221437 El Paso TX 79913 ESA Construction, 3435 Girard NE, Albuquerque NM 87107 Jaynes Corporation, 1412 Portland Suite A Las Cruces NM 88007	Y Y Y	N N N	NMSU Memorial Stadium Presidential Sky Box
201501050-P	Competitive	Smith&Aguirre	193,187		Smith & Aguirre Construction, PO Drawer 2276 Las Cruces NM 88004 A Mountain Professional Construction LL, 1177 Scoggins Ave Las Cruces NM 88005 Burn Construction, PO Box 1869 Las Cruces NM 88004 Morrow Enterprises, PO Drawer 1747 Las Cruces NM 88004	Y Y Y Y	N N Y N	Parking Lot Projects
	Emergency	Colliers Top of Texas	100,000		Colliers Top of Texas, PO Box 233 Hereford TX 79045			Fabricate, Deliver, & Install a 2 Ton Horizontal Ribbon Feed Mixer
	Emergency	Expert Care	120,000		Expert Care, PO Box 7855 Las Cruces NM 88005			Janitorial Services to clean married student housing and dorms
	Emergency	Oracle North America	527,603		Oracle North America, 500 Eldorado Blvd, Broomfield CO 80021			Oracle Software Update
	Emergency	Donner Plumbing	21,485		Donner Plumbing, 107 Candelaria Rd, Albq NM			Installation & Replacement of Boiler at Tays
	Emergency	El Paso Phoenix Pumps	89,025		El Paso Phoenix Pumps Inc, 5100 S 36th St Phoenix AZ			Services to pull and rewind well motor
	Emergency	AssetWorks LLC	58,371		AssetWorks LLC, 1777 NE Loop 410, Ste# 1250 San Antonio TX 78217			Aim annual maintenance and support
	Emergency	Evisions	21,977		Evisions, 440 Exchange, Ste 200, Irvine CA 92602			Software Maintenance Support
	Emergency	CollegeSource	27,910		CollegeSource, 1327 E Kemper Rd Suite 3000, Cincinnati OH 45246			MicroFocus Application Server Maintenance
	Emergency	PeopleAdmin Inc	80,929		PeopleAdmin Inc, PO Box 205748 Dallas TX 75320			Integ Maintenance Fees
	Emergency	Ad Astra	41,400		Ad Astra, 6900 W 80th St, Suite 300 Overland Park KS			Enterprise class scheduling
	Emergency	Higher One Cashnet	68,400		Higher One Cashnet, 115 Munson St, New Haven CT 06511			Annual Subscription renewal for Cashnet Admin
	Emergency	Mainline Info Svc	168,111		Mainline Info Svc, PO Box 11407 Birmingham AL 35246			IBM Hardware Maintenance and Support
	Sole-Source	FieldWatch Inc	24,500		FieldWatch Inc, 90 E Cedar St Zionsville IN 46077			Utilization of Driftwatch
	Sole-Source	Cosmed	28,556		Cosmed USA Inc, 1850 Bates Ave Concord CA 94520			BOD POD Express
	Sole-Source	Instron Company	49,000		Instron Company, 825 University Ave Norwood MA 02062			Controller Upgrade
	Sole-Source	Calero Software	71,400		Calero Software LLC, 1565 Jefferson Rd, Rochester NY 14623			Software Upgrade- Pinnacle V5 to V6
	Sole-Source	Tyvak	43,195		Tyvak Nano-Satellite Systems Inc, 15625 Alton Pkwy, Irvine CA 92618			Compatibility Int-3U
	Sole-Source	Perkin Elmer	55,990		PerkinElmer Health Sciences, 710 Bridgeport Ave, Shelton CT 6484			Promotional Deal for 2400 CHNS/O Analyzer
	Sole-Source	Quantel	38,000		Quantel USA Inc, PO Box 8100 Bozeman MT 59715			Laser System
	Sole-Source	Capital Networks	24,804		Capital Networks, 620 Alden Rd Markham, Canada			Audience Digital Signage Package
	Sole-Source	Quanser	36,321		Quanser Inc, 119 Spy Court Markham, Canada			Shake Table II
	Sole-Source	OLIS	160,000		On-Line Instrument Systems Inc, 130 Conway Dr, Bogart GA 30622			RSM with Fluorescent Attachment

See accompanying independent auditors' report



Schedule 6 - Schedule of Vendor's exceeding \$60,000 in Expenditures (Unaudited)

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of-State Vendor	In-state and Veteran's preference	Brief Description of the Scope of Work
	Sole-Source	Broadcast Electronics	27,471		Broadcast Electronics , 4100 N 24th St Quincy IL 62305			AudioVAULT Hardware
	Sole-Source	Ellucian LP	201,688		Ellucian Company LP, 62578 Collections Center Dr, Chicago IL 60693			Software- travel & expense mgmt module
	Sole-Source	Bode Aviation	30,000		Bode Aviation Inc, 2502 Clark Carr Lp Albq NM 87106			Aircraft Maintenance Services
	Sole-Source	Sightlines LLC	37,000		Sightline LLC, 405 Church St Ste 2, Guilford CT 6437			Software
	Sole-Source	Rainbow Scientific	30,757		Rainbow Scientific, 83 Maple Ave, Windsor Connecticut 06095			Hosting Service Agreement Renewal

See accompanying independent auditors' report



Schedule 7 - Schedule of Funding Progress and Employer Contributions - Other Post Employment Benefits (unaudited)

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>
6/30/2015	\$ -	\$ 91,867,000	\$ 91,867,000	0%	\$ 261,150,892	35%
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%

Schedule of Employer Contributions

<u>Fiscal Year Ending</u>	<u>Annual Required Contributions (ARC)</u>	<u>Actual Contributions</u>	<u>% Contributed</u>
6/30/2015	\$ 7,248,000	\$ 4,563,000	63.0%
6/30/2014	\$ 6,973,000	\$ 4,292,000	61.6%
6/30/2013	\$ 6,277,000	\$ 3,910,000	59.7%

Summary of Key Actuarial Methods and Assumptions

Valuation year	July 1, 2014 to June 30, 2015
Actuarial cost method	Projected 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 8.5% pre 65, and 7.5% 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.

See accompanying independent auditors' report

**Schedule 8 – Schedule of Proportionate Share of Net Pension Liability and Employer Contributions
(unaudited)**

The schedule of proportionate share of net pension liability and the schedule of employer contributions present multiyear trend information for the last ten fiscal years. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

Schedule of Proportionate Share of Net Pension Liability - ERB Plan

	2015
University's proportion of the net pension liability (asset)	7.56103%
University's proportion share of the net pension liability (asset)	\$ 431,412,011
University's covered-employee payroll	\$ 229,696,230
Percentage of its covered-employee payroll	187.82%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

Schedule of Employer Contributions – ERB Plan

	2015
Statutorily required employer contribution	\$ 31,140,209
Contributions in relation to the statutorily required contribution	31,140,209
Contribution deficiency (excess)	\$ -
University's covered-employee payroll	\$ 229,696,230
Contributions as percentage of covered-employee payroll	13.56%

Notes to Schedules:

Changes of Benefit Terms

The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Educational Retirement Act.

Changes of Assumptions

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

See also the Actuarial Assumptions subsection of the financial statement note disclosure.

See accompanying independent auditors' report

Schedule 9 - 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)					
	A BREAKAWAY FROM INCREMENTAL SCIENC	43.rd	GR0004370	-	140,086
	EPSCOR MINORITY SERVING INSTITUTION	43.008	GR0003985	13,860	47,929
	FY11 EPSCOR- PROXIMITY OPERATIONS	43.008	GR0003799	13,069	60,862
	GALAXY FORMATION IN LCDM	43.rd	GR0003833	-	5,599
	JOVIAN INTERIORS FROM VELOCIMETRY E	43.008	GR0004673	-	62,939
	LEGUS: LEGACY EXTRAGALACTIC UV SURV	43.rd	GR0004385	-	19,770
	MEASUREMENT OF N-NITROSODIMETHYLAMI	43.001	GR0004624	-	62,845
	METALLICITY DISTRIBUTION FUNCTIONS	43.rd	GR0003645	-	31,093
	NASS-03003 NASA	43.rd	GRP000904	7,959,063	20,885,512
	NASA NNX07A042A	43.rd	GR0002485	17,131	24,455
	NASA NNX09AP69A NESSI	43.001	GR0003065	36,838	36,838
	NASA NNX09AV90G	43.002	GR0003151	-	687,139
	NASA NNX10AC36A	43.002	GR0003195	30,180	30,180
	NASA SPACE TECHNOLOGY RESEARCH FELL	43.008	GR0004266	-	66,018
	NASA TRAINING GRANT ANNOUNCEMENT	43.001	GR0003400	-	40,213
	NATIONAL SPACE GRANT STUDENT LAUNCH	43.009	GR0004366	104,906	177,232
	NEW MEXICO NASA EPSCOR RESEARCH INF	43.008	GR0004096	11,502	155,090
	NNX11A080A	43.002	GRP001173	51,099	411,683
	RESEARCH OPPORTUNITIES IN SPACE	43.001	GR0003964	-	46,343
	ROSES 2012 OSCILLATIONS IN THE SOLA	43.001	GR0004151	112,901	147,415
	ROSES 2013 ANALYSIS OF PULSATING RE	43.001	GR0004646	-	80,715
	STSI HST-AR-12617.01-A	43.rd	GR0003806	-	4,674
	SUBORBITAL TEST OF A ROBOTICS-BASED	43.007	GR0004009	-	20,506
	THE NEW ROLE OF DATA ASSIMILATION I	43.001	GR0004580	-	26,120
	UNDERSTANDING MARS' VERTICAL TEMPER	43.001	GR0004003	-	16,413
	UPPER ATMOSPHERE CHEMISTRY AND NIGH	43.001	GR0003994	-	31,504
			NASA Direct	8,350,549	23,319,173
Assoc of Universities for Research in Astronomy, Inc. (AURA)	INFLUENCE OF SUBSURFACE N06504C-N	43.001	GR0003919	-	5,877
California Institute of Technology	A EUROPA CUBESAT CONCEPT FOR MEASUR	43.rd	GR0004668	-	19,215
	DATA ANALYSIS FOR VOYAGER 1	43.rd	GR0000153	-	22,908
	FIELD TESTING OF ROCK CLIMBING ROBO	43.rd	GR0004653	-	13,670
	KECK PI DATA AWARD 2014A-30 "IDENTI	43.rd	GR0004449	-	1,627
	UNRAVELING THE OUTBURST & QUIESCENT	43.rd	GR0004123	-	15,688
ITT Exelis Inc.	1244 SUB 2712-15-86	43.rd	GRP001244	-	12,208
Minority Innovation Challenges Institute MICI	NASA MICI STUDENT LAUNCH	43.008	GR0004200	-	31
NorthWest Research Associates, Inc.	COLLABORATION UNDER PHOTOSPHERIC PR	43.001	GR0004081	-	14,829
Orbital Science Corporation	SUPPORT OF NSROC II	43.rd	GRP001149	-	365,374
	1239 OSC CSBF	43.rd	GRP001239	-	635,600
Southwestern Indian Polytechnic Institute	INFORMATION TECHNOLOGY EXPERIENCES	43.008	GR0004651	-	33,115
Space Science Institute (SSI)	SSI SUBAWARD 00516	43.rd	GR0003805	-	23,639
Universities Space Research Association	ASCERTAINING THE ORIGIN OF THE MID-	43.rd	GR0004480	-	2,000
			NASA Pass Thru	-	1,165,782
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) Total			8,350,549	24,484,955
DEPARTMENT OF DEFENSE (DOD)					
	1099 - TSER 2	12.431	GRP001099	190,242	3,517,280
	53301 PREDICTIVE TECHNOLOGY	12.431	GRP000533	-	91,770
	ABUNDANCE AND HABITAT-RELATED PUPFI	12.rd	GR0004394	-	69,197
	ACQUISITION OF A HIGH-RESOLUTION HI	12.630	GR0004419	-	294,227
	ACQUISITION OF AN INTERGRATED SYSTE	12.630	GR0004440	-	330,147
	AQUATIC INVERTEBRATE SURVEY	12.rd	GR0004615	53,024	60,906
	ARCHAEOLOGICAL SUPPORT FOR PRESCRIB	12.rd	GR0004524	79,750	84,125
	ARDEC TELEMETRY SUPPORT	12.rd	GRP001193	-	505,132
	ASTROLABE MAINT FY14	12.rd	GRP001214	-	16,560
	ASTROLABE MAINT FY14	12.rd	GRP011214	-	57,500
	ATTENUATION STRUCTURE OF NORTHEAST	12.rd	GR0004002	-	78,815
	BAT GATES AND CUPOLAS AT VICTORIO P	12.rd	GR0004617	104,400	114,661
	COOPERATIVE OPTIMIZATION AND CONTRO	12.300	GR0004143	-	167,504
	CULTURAL PLANNING LEVEL SURVEYS	12.rd	GR0004616	150,722	172,357
	EVALUATE WILDLIFE HABITAT FOR SPARK	12.rd	GR0004622	-	29,291
	FACILITATED-TRANSPORT ENABLED IN SI	12.rd	GR0004332	162,386	285,421
	FILAMENT ERUPTIONS AND THE SOLAR RA	12.800	GR0004694	-	28,175
	FY15 NAT RESOURCES CONSERVAT WSMR	12.rd	GR0004715	195,247	195,247
	GOLDEN EAGLE SURVEYS	12.rd	GR0004518	26,275	34,273
	HISTORIC ARCHITECT SUPPORT	12.rd	GR0004522	384	18,991
	INVESTIGATION INTO THE CONTROL OF I	12.630	GR0004751	-	38,430
	INVESTIGATION OF PHOTON-ELECTRON IN	12.800	GR0004659	-	10,715
	IOVSA FY10-FY15	12.rd	GRP001135	384,936	11,729,122
	IPA-KING	12.rd	GRP001207	-	188,034
	MIGRATORY BIRD SURVEY	12.rd	GR0004614	62,189	66,564
	MITIGATION SITE LA76465	12.rd	GR0004612	5,304	24,182
	NANOSCALE PROBING OF MAGNETOELECTRI	12.800	GR0004650	-	107,922
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004383	125,428	114,694

See accompanying independent auditors' report

Schedule 9 - 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					
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004470	109,435	113,810
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004471	128,479	142,332
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004521	92,732	115,057
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004771	12,589	14,792
	NATIONAL REGISTER EVALUATION OF ARC	12.rd	GR0004523	40,625	45,000
	NATIONAL REGISTER EVALUATION OF SAL	12.rd	GR0004520	40,625	45,000
	NATIONAL REGISTER OF HISTORIC PLACE	12.rd	GR0004430	130,864	143,529
	NATURAL RESOURCES CONSERVATION 16K A	12.rd	GR0004428	237,092	290,585
	NATURAL RESOURCES CONSERVATION ON W	12.rd	GR0004435	87,593	89,552
	NATURAL RESOURCES CONSERVATION ON W	12.rd	GR0004634	-	36,674
	NATURAL RESOURCES CONSERVATION ON W	12.rd	GR0004807	7,283	8,558
	NM BEST ROBOTICS	12.rd	GR0004625	-	4,129
	NM JUMPING MOUSE SURVEYS	12.rd	GR0004517	-	9,261
	NMSU WATER SECURITY PROGRAM	12.300	GR0003338	29,627	719,834
	NORTHERN APLOMADO FALCON AT	12.rd	GR0004665	12,143	14,268
	NOVEL DETECTION OF OPTICAL ORBITAL	12.800	GR0004113	-	854
	OPTICAL SPECTROSCOPY OF MATERIALS F	12.800	GR0004155	58,903	153,190
	PULSE COMPLEXITY BASED LIDAR SCENE	12.630	GR0004121	-	67,741
	RANCHING ORAL HISTORY WSMR	12.rd	GR0004429	26,498	30,763
	SALT CEDAR MANAGEMENT	12.rd	GR0004618	532	625
	SPACE WEATHER NEUTRONS	12.800	GR0004360	-	19,522
	TODSEN'S PENNYROYAL ENDANGERED SPEC	12.rd	GR0004434	49,802	52,374
	TRINITY NHL SITE ASSESSMENT	12.rd	GR0004519	5,319	6,250
	UNMANNED AIRCRAFT SYSTEMS	12.rd	GRP001107	-	264,801
	US ARMY W911NF-12-1-0050	12.431	GR0003867	-	127,447
	US ARMY WAVELENGTH OBSCURANTS	12.rd	GR0003726	8,788	207,978
	WHITE SANDS PUFFFISH HABITAT MANAGEM	12.rd	GR0004431	10,128	11,900
	WILDLAND FIRE MANAGEMENT PLAN	12.rd	GR0004613	-	7,026
	WILDLIFE WATER DEVELOPMENTS ON WSMR	12.rd	GR0004427	1,840	2,161
	PRESCRIBED BURN PLS ON WSMR	12.rd	GR0004796	28,141	32,516
	IMPLEMETING AVIATION PROTECTION PLA	12.rd	GR0004797	24,823	29,167
	SALT CEDAR PLS	12.rd	GR0004799	12,601	14,806
	INTERGRATED NATURAL AND CULTURAL RE	12.rd	GR0004804	37,450	41,825
	YELLOW-BILLED CUCKOO ON WSMR	12.rd	GR0004806	9,315	10,945
	SOUTHWESTERN WILLOW FLYCATCHER SURV	12.rd	GR0004809	9,315	10,945
	NUMERICAL INVESTIGATION OF ACTIVE F	12.800	GR0004823	-	2,151
			DOD Direct	2,752,829	21,318,610
Aegis Technology Inc	AGREEMENT SIGNED 10/3/11	12.rd	GR0003791	-	(21,117)
	SUPPORT FOR RESEARCH ON COATED	12.rd	GR0004496	-	(1,594)
Altamira Technologies Corporation	GRP1212 MAIN RECORD	12.rd	GRP001212	-	(1,693)
	GRP1225	12.rd	GRP001225	-	22,675
AMEWAS, Inc (American Electronic Assoc, Inc)	AMEWAS 13-01188	12.rd	GRP001216	-	128,147
ATA Aerospace, LLC	2014 AIR FORCE IN-PERSON BRIEFING	12.rd	GR0004655	-	405
	2014 AIR FORCE IN-PERSON BRIEFING	12.rd	GR0004708	-	348
BAE Systems	GRP 1213 BAE MK38	12.rd	GRP001213	-	-
	REDUCED-ORDR MODEL FLAPPING WING	12.rd	GR0004173	77,358	169,957
Board of Regents Nevada System of Higher Education	UNLV UAS FLIGHT TEST	12.rd	GRP001232	-	30,000
Boeing Mesa	BOEING DARPA VXP	12.rd	GRP001224	-	26,610
	BOEING DARPA VXP 1B	12.rd	GRP001237	-	18,616
	1231 CTC	12.rd	GRP001231	-	49,950
Concurrent Technology Corporation	ITT EXELIS LANCE MISSILE TARGET SY	12.rd	GRP001200	-	640,977
ITT Exelis Inc.	DTI 2&6 CHSPINDECKS	12.rd	GRP001208	-	1,340
Kratos Defense & Security Solutions, Inc	1219 COLEMAN S1005	12.rd	GRP001219	-	316,512
L-3 Communications Telemetry East	JAVAD UNITS	12.rd	GRP001175	-	-
Lockheed Martin Shared Svcs	LM SPACE SYSTEMS CO. TCP RV-5	12.rd	GRP001201	-	-
NanoSonic, Inc.	SYNTHESIS AND PROCESSING OF HIGH PE	12.rd	GR0004732	-	7,500
Physical Sciences, Inc.	METAL COATED FIBER ANALYSES	12.rd	GR0004545	-	112,384
Secotec	1235 HDS ENCODER CONFIGURATION	12.rd	GRP001235	-	97,071
Stanford University	HIGH PERFORMANCE COMPUTING RESEARCH	12.431	GR0004227	-	216,201
U.S. Government(Classified Contract)	1166-SEAGULL	12.rd	GRP001166	-	664
University of Dayton Research Institute	WAVE OPTICS OF DEEP ATMOSPHERIC TUR	12.800	GR0004092	-	142,895
Wright State University	FLOW CHARATERIZATION AND ADJOINT BA	12.800	GR0003959	-	49,689
i2C Solutions, LLC	VARIABLE GRAVITY TWO-PHASE HEAT SIN	12.rd	GR0004763	-	8,092
Teledyne Brown Engineering, Inc.	1245 SUB 955725DELTA	12.rd	GRP001245	-	103,266
Dynetics Inc	1246 DYNETICS THJOR	12.rd	GRP001246	-	28,782
			DOD Pass Thru	77,358	2,147,677
	DEPARTMENT OF DEFENSE (DOD) Total			2,830,187	23,466,287
NATIONAL SCIENCE FOUNDATION (NSF)					
	SPECTROSCOPIC ELLIPSOMETRY	47.049	GR0003706	-	48,477
	2013-2014 LANSCE SCHOOL ON NEUTRON	47.049	GR0004301	-	10,842
	ACQUISITION OF A RHEOMETER FOR INTE	47.041	GR0004621	-	98,758
	BRAINWAVE MEASUREMENT	47.070	GR0003636	18,900	203,583
	BRIGE: ASPRIE-DATA: ADVANCING SCIEN	47.041	GR0004294	-	40,801

See accompanying independent auditors' report

Schedule 9 - 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					
	CAREER: FLUORESCENCE LIFETIME	47.074	GR0003875	-	69,460
	CAREER: INDIVIDUAL VARIATION IN DIS	47.074	GR0003922	-	171,359
	CAREER: INSPIRE- AN INTEGRATED SOLA	47.050	GR0004287	-	118,756
	CAREER: NEW CONSTRAINTS ON THE SOLA	47.050	GR0004444	-	83,313
	CHEMICAL CARTOGRAPHY IN THE MILKY W	47.049	GR0003713	-	28,621
	CHEMICAL ORTHOGONALITY IN TANDEM DI	47.049	GR0004271	-	223,331
	CMMI-1131290	47.041	GR0003728	-	65,490
	CNH: ACEQUIA WATER SYSTEMS LINKING	47.075	GR0003450	17,022	295,081
	COLLABORATIVE PROPOSAL: USING LEAN	47.041	GR0004640	-	14,186
	COLLABORATIVE RESEARCH: BPEC: YO-GU	47.070	GR0004626	-	18,995
	COLLABORATIVE RESEARCH: BRANCHING M	47.049	GR0004500	-	29,698
	COLLABORATIVE RESEARCH: CCSS: LOW-C	47.041	GR0004568	-	45,727
	COLLABORATIVE RESEARCH: G PROTEIN	47.074	GR0004510	-	169,312
	COLLABORATIVE RESEARCH: HEAT-INDUCE	47.041	GR0004484	-	47,584
	COLLABORATIVE RESEARCH: INTEGRATING	47.076	GR0003929	-	12,079
	COLLABORATIVE RESEARCH: NEW FORMULA	47.049	GR0004513	-	22,575
	COLLABORATIVE RESEARCH: THE EFFECT	47.041	GR0004288	-	48,417
	CREATIV: TOWARDS UBIQUITOUS ADOPTIO	47.070	GR0003989	-	125,221
	CYBERINFRASTRUCTURE FOR SCALABLE	47.070	GR0003775	-	251,831
	DEGENERATE DIFFUSION IN COMPLEX AMP	47.049	GR0004576	-	36,653
	DIGITIZATION TCN: COLLABORATIVE RES	47.074	GR0003943	-	17,930
	DUE-0934919	47.076	GR0003059	-	211,126
	EAGER: EXPERIMENTAL INVESTIGATION O	47.041	GR0004567	-	42,448
	EAGER: NOVEL RARE EARTH MTAL OXYSUL	47.049	GR0004569	-	37,423
	GARDE: TRACKABLE INTERACTIVE MULTIM	47.041	GR0004656	-	25,589
	GRADUATE RESEARCH FELLOWSHIP PRGM F	47.076	GR0003865	-	129,888
	I-CORPS: A NEW MULTI-DOF REDUCED-GR	47.041	GR0004686	-	29,869
	ICREDITS: INTERDISCIPLINARY CENTER	47.076	GR0004460	23,808	573,456
	INVESTIGATION OF LIQUID CRYSTALLINE	47.049	GR0003729	-	36,698
	LTER VI: JORNADA BASIN	47.074	GR0004167	-	844,876
	MATH SNACKS MARKET PLACE	47.076	GR0004142	-	(245)
	MATH SNACKS; ADDRESSING GAPS IN CON	47.076	GR0003080	7,000	251,519
	MCA-PGR: A PHYLOGENETICALLY INFORME	47.074	GR0004163	-	237,511
	NM AMP SENIOR LEVEL ALLIANCES	47.076	GR0004346	-	3,348
	METAL-BASED ELECTRON TRANSFER PROCE	47.049	GR0004018	-	36,417
	MRI: ACQUIS INSTRUMENT RESRCH PARAL	47.070	GR0004390	-	-
	MRI: ACQUISITION OF X-RAY IRRADIATI	47.074	GR0004581	-	175,927
	MRI: ACQUISITION OF A MC-ICP-MS AT N	47.050	GR0004295	-	3,136
	NM AMP SENIOR LEVEL ALLIANCES	47.076	GR0004346	126,759	666,588
	NSF AGS-1049295	47.050	GR0003488	-	5,400
	NSF AST-1009908	47.049	GR0003441	-	4,383
	NSF CHE-0809966 ARRAY PLATFORMS	47.049	GR0002746	-	20,712
	NSF CHE-1012479	47.049	GR0003418	-	30,832
	NSF DEB-0953864	47.074	GR0003358	-	94,613
	NSF DGE-0947465	47.076	GR0003403	-	523,930
	NSF HRD-0803171	47.076	GR0002816	-	51,575
	NSF INDEPTH IV EAR-0409870	47.050	GR0002189	-	38,766
	NSF MCB-1051453	47.074	GR0003618	-	105,058
	NSF PROJECT ENABLE	47.070	GR0003569	-	(6,616)
	NSF/CHE CARBON NANSTRUCTURES	47.049	GR0003687	-	48,390
	OPTICAL MIMO AND HYBRID COMMUNCIATI	47.041	GR0004013	-	69,710
	PROCESSES AND PATTERNS IN THE NORTH	47.074	GR0003653	-	74,394
	REGIONAL TECHNICAL WORKFORCE BASED	47.076	GR0050052	-	2,244
	SCANNING ELECTROCHEMICAL MICROSCOPY	47.049	GR0004587	-	37,290
	TOWARDS ASCERTAINING THE ORIGINS OF	47.049	GR0004015	-	49,536
	TRACKING THE SIBERIAN-LAURENTIAN DE	47.050	GR0004376	-	20,455
	UNMANNED SYSTEMS	47.041	GR0003743	-	32,118
	AST-0908126	47.049	GR0003025	-	6,224
	CAREER: SYNTHETIC STRATEGIES FOR TH	47.049	GR0004749	-	61,014
	I-CORPS: HYBRID MATERIAL	47.041	GR0004786	-	26,985
			NSF Direct	193,489	6,900,667
Stanford University	RE-INVENTING AMERICA'S URBAN WATER	47.041	GR0003759	-	463,379
	RE-INVENTING AMERICA'S URBAN WATER	47.041	GR0004311	-	31,242
The Board of Trustees of the University of Illinois	LEADERSHIP CLASS SCIENTIFIC AND ENG	47.080	GR0004575	-	38,492
University of Arizona	ATD: STATISTICAL METHODS FOR FUNCTI	47.049	GR0004129	-	20,087
University of New Hampshire	SUBAWARD# 11-101	47.050	GR0003689	-	58,602
University of New Mexico	GOALI	47.041	GR0003830	-	6,971
	LTERV:LONG TERM PULSE DYNAMICS IN A	47.074	GR0004333	-	60,000
	NM EPSCOR RII 4: ENERGIZE NEW MEXIC	47.080	GR0004265	-	697,735
University of Southern California	MEASURING VENTURA AREA UPLIFT; A FO	47.050	GR0004561	-	12,441
University of Texas	CAHSI	47.041	GR0003740	-	12,889
	FEASIBILITY STUDY OF THIN FILM EVAP	47.050	GR0004203	-	13,899
			NSF Pass Thru	-	1,415,737

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Schedule 9 - 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 DUE 0928867	47.082	GR0003014 NSF ARRA	- -	148,670 148,670
NATIONAL SCIENCE FOUNDATION (NSF) Total				193,489	8,465,074
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)					
	1SC1GM092297-01A1	93.859	GR0003581	-	237,036
	A ROLE FOR A NEPRILYSIN IN NEURONAL	93.867	GR0004588	-	115,028
	BACTERIAL COLONIZATION AND IMMUNOGE	93.855	GR0004464	-	325,455
	BIOACTIVE LIPIDS IN LUNG CARCINOGEN	93.859	GR0004172	-	64,422
	CATALYTIC MULTICOMPONENT APPROACH T	93.859	GR0004550	-	112,147
	CHARACTERIZATION OF ACCESSORY FACTO	93.859	GR0004572	-	84,882
	CHARACTERIZATION OF AMINO ACID TRANS	93.855	GR0004269	-	362,388
	FDA FERN Microbiological Coop	93.103	GR0003114	-	108,776
		93.448	GR0004029	-	301,200
	HEART HEALTHY MICROALGAE? ALGAL PRO	93.859	GR0004491	-	118,321
	INBRE NM IDEA NETWORKS OF BIOMEDICA	93.389	GR0001919	(4,127)	(4,127)
	MECHANISMS OF COMPETITIVE DISPLACEM	93.855	GR0004619	-	170,670
	NANOPOROUS DRUG DELIVERY SYSTEMS	93.286	GR0004213	-	158,450
	NIH 1SC1HD068128-01	93.865	GR0003359	-	7,201
	NIH INBRE YR 13	93.389	GR0004170	3,314	(917)
	NIH INBRE YR 14	93.389	GR0004515	2,556,163	3,351,409
	NIH SCORE METAL ION CHELATORS	93.859	GR0004228	-	107,553
	NIH1R15EY021341-01A1 DOC#REY021341A	93.867	GR0003757	-	35,041
	PARTNERSHIP FOR THE ADVANCEMENT	93.397	GR0004341	-	1,061,430
	REGULATION OF SPINDLE ORIENTATION A	93.865	GR0004599	-	66,905
	REPAIR OF DAMAGED CHROMOSOMES MEDIA	93.859	GR0004261	-	305,450
	TOTAL SYNTHESIS AND EVALUATION OF T	93.859	GR0004171	-	99,712
	NIH INBRE YR 15	93.389	GR0004780	357,445	441,240
			HHS Direct	2,912,795	7,629,672
Board of Regents Nevada System of Higher Education	CTR-IN PILOT GRANT: SCREENING AND B	93.859	GR0004620	-	61,475
	CTR-IN PILOT: TECHNOLOGY USE TO SUP	93.859	GR0004447	-	2,754
	GENOME-WIDE NONPARAMETRIC FUNCTIONA	93.859	GR0004681	-	67,392
	STIMULUS FREQUENCY OTOACOUSTIC EMIS	93.859	GR0004727	-	22,817
Colorado State University	QUASISPECIES DYNAMICS IN ARBOVIRUS	93.855	GR0004082	-	25,415
Massachusetts Institute of Technology	SYSTEMS BIOLOGY OF CELL DECISION	93.859	GR0004046	-	3,177
Regents of the University of Colorado	NIH BRAIN	93.859	GR0003571	-	95,173
Rochester Institute of Technology	LANGUAGE, LEARNING AND COGNITION AM	93.173	GR0004187	-	37,595
University of New Mexico	CLINICAL & TRANSLATIONAL RES IDEA-	93.859	GR0004368	-	38,423
University of Texas	IN SITU-SENSING SYSTEM FOR THE SELE	93.113	GR0004164	-	28,897
			HHS Pass Thru	-	383,118
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total				2,912,795	8,012,790
DEPARTMENT OF AGRICULTURE (USDA)					
	A POTENTIAL NEW DUST SOURCE IN THE	10.001	GR0004560	-	67,702
	ACQUISITION OF GOODS AND SERVICES	10.001	GR0004249	-	6,980
	ACQUISITION OF GOODS AND SERVICES	10.001	GR0004506	-	347,205
	ANIMAL HEALTH FEDERAL APPROPRIATION	10.207	GR0004327	-	29,606
	ANIMAL HEALTH FEDERAL APPROPRIATION	10.207	GR0004608	-	19,825
	ARS 58-1275-1-328	10.001	GR0003736	-	6,165
	ASSESSING AND MONITORING BIODIVERSI	10.902	GR0004345	-	49,968
	ASSESSING AND MONITORING OF BIODIVE	10.001	GR0003861	-	2,379
	CONSERVATION OF BLISTER RUST RESIST	10.680	GR0004409	-	427
	COTTON GIN-ACQUISITION OF GOODS AND	10.001	GR0004250	-	1,518
	COTTON GIN-ACQUISITION OF GOODS AND	10.001	GR0004487	-	8,961
	COTTON GIN-ACQUISITION OF GOODS AND	10.001	GR0004512	-	15,189
	DEVELOPMENT AND IMPLEMENTATION OF A	10.001	GR0004320	-	(5,649)
	DISEASE MARKERS MYCOBACTERIUMUM BO	10.310	GR0004396	-	60,246
	DISTRIBUTION& HABITAT SELECTION EAG	10.001	GR0003646	-	82,969
	ENHANCING CAPACITY FOR IDENTIFICATI	00.000	GR0004244	-	(34)
	ENHANCING SURGE CAPACITY FOR NEMATO	10.028	GR0004664	-	10,484
	HATCH FED APPROP FY 14	10.203	GR0004328	-	660,978
	HATCH FED APPROP FY 15	10.203	GR0004609	-	946,235
	HISTORY AND STATUS REVIEW OF THE AM	10.rd	GR0004565	-	5,977
	IMPROVING CACTUS MOTH CONTROL	10.310	GR0004439	-	18,569
	INTEGRATION OF SCIENTIFIC AND LOCAL	10.001	GR0004119	-	284,721
	LANDSCAPE SCALE PATTERNS OF FIRE AN	10.rd	GR0004229	-	25,941
	MANAGEMENT TECHNOLOGIES FOR WESTERN	10.001	GR0004177	-	1,685,949
	MCINTIRE STENNIS FED APPR FY14	10.200	GR0004329	-	118,144
	MCINTIRE STENNIS FED APPR FY15	10.200	GR0004610	-	155,881

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Name of Program / Agency	Award Title	CFDA Number	Grant Code	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM					
	MONITORING/VALLES CALDERA	10.679	GR0003801	-	192,000
	MULTI STATE FED APPROP FY14	10.200	GR0004330	-	204,334
	MULTI STATE FED APPROP FY15	10.200	GR0004611	-	330,242
	PECAN ROOTSTOCK CULTIVAR: IMPLICATI	10.001	GR0004319	-	2,400
	REGENERATIONS OF SHORT-DAY ONIONS	10.001	GR0004632	-	19,988
	RUSSIAN KNAWWEED BIOLOGICAL CONTROL	10.025	GR0004392	-	26,031
	RUSSIAN KNAWWEED BIOLOGICAL CONTROL	10.025	GR0004723	-	13,140
	STRENGTHENING PUBLIC CORN BREEDING	10.307	GR0003668	-	162,397
	USDA 2010-85101-20482	10.310	GR0003209	-	18,515
	USDA 58-1275-1-333	10.001	GR0003761	-	756
	USDA 58-5428-9-342	10.001	GR0003119	-	(384)
	USDA FOREST SVC 11-DG-11132762-318	10.684	GR0003772	-	9,690
	USDA NCRS # 67-8C30-10-001	10.905	GR0003464	-	89,156
	USDA/ARS 58-1910-9-927	10.001	GR0003027	-	-
	USDA/REAP GRANT NO 1	10.868	GR0003887	-	2,042
	BREEDING NON-COMMODITY CORN FOR ORG	10.307	GR0004773	-	711
	GENETIC TOOLS FOR LACEY ACT ENFORCE	10.684	GR0004822	-	17,617
			USDA Direct	-	5,694,973
				-	-
Dine College	NATIVE AND NON-NATIVE AGAVE, OPUNTI	10.227	GR0004117	-	12,428
	AN INTERVENTION TO PROMOTE NAVAJO G	10.227	GR0004803	-	930
Kansas State University	CANOLA FOR THE GREAT PLAINS	10.200	GR0004363	-	33,315
Michigan State University	CAPE: COMMUNITY ASSESMENT AND EDUCA	10.500	GR0004463	-	23,683
	CAPE: COMMUNITY ASSESMENT AND EDUCA	10.500	GR0004746	-	5,083
Navajo Technical College	LIVER TOXIC PLANT EFFECTS IN LIVEST	10.227	GR0004699	-	8,305
Regents University of California Davis	DEVELOPMENT AND EVALUATION OF A BI	10.303	GR0004458	-	17,802
	SUSTAINING ALFALFA PRODUCTION IN TH	10.330	GR0004737	-	24,515
State of Arizona	UNIV OF AZ Y560392	10.217	GR0003545	-	-
State of New Mexico	TREE IMPROVEMENT AND FORESTATION PL	10.680	GR0001031	-	4,543
Texas A&M Research Foundation	TAMU CONSORTIUM	10.310	GR0003663	-	123,883
Texas A&M University	SALUD PARA USTED Y SU FAMILIA: FAMI	10.310	GR0004833	-	33,809
Texas Tech University	DEVELOPMENT OF SAFFLOWER AS A NEW B	10.320	GR0004205	-	19,729
University of Arizona	SUBGRNT #Y561984-UA/UCD/NIFA	10.309	GR0003655	-	7,487
University of Florida	SYSTEMS APPROACH TO IMPROVING ABIOT	10.310	GR0004406	-	43,911
University of Georgia	SYSTEMS APPROACH AT IMPROVING THELO	10.309	GR0003837	-	40,799
University of Idaho	RANGELAND EDUCATION NIFA	10.217	GR0003621	-	7,818
University of Texas	COLLABORATIVE INTEGRATION OF USDA-R	10.223	GR0004661	-	28,643
	REGIONAL ENERGY & EDUCATION NETWORK	10.223	GR0003824	-	175,187
	SUSTAINABLE WATER MANAGEMENT FOR IR	10.310	GR0004785	-	5,833
Oklahoma State University	NIFA PRIORITY AREAS: DRIVERS FOR CO	10.460	GR0004667	-	515
			USDA Pass Thru	-	618,219
				-	-
	DEPARTMENT OF AGRICULTURE (USDA) Total			-	6,313,192
DEPARTMENT OF ENERGY (DOE)					
	CEMRC WIPP-EM	81.104	GR0004357	-	2,465,070
	DE-FG02-96ER40965 DOE	81.049	GR0004494	-	231,481
	DOE DE-FG02-08ER15996 N-H BOND FORM	81.049	GR0002808	74,913	153,821
	DOE DE-FG92-94ER40847	81.049	GR0003928	-	289,006
	DOE DE-FG92-94ER40847	81.049	GR0004830	-	112,139
	DOE DE-OE0000098 ENERGY TECH INITIA	81.122	GR0003158	-	21,353
	HYDROPOWER ENERGY RESOURCE (HYPER)	81.087	GR0003941	-	22,536
	REALIZATION OF ALGAE POTENTIAL REAP	81.087	GR0004358	546,947	723,274
			DOE Direct	621,860	4,018,680
				-	-
Battelle Memorial Institute	ALGAE TRANSITION SUPPOR PROJECT MOD	81.rd	GR0004248	1,351	1,352
	IMPROVED HYDROTHERMAL LIQUEFACTION	81.079	GR0004148	-	117,046
Colorado School of Mines	ADVANCING WEB-BAED TOOL FOR UNCONVE	81.rd	GR0004315	-	50,834
InnoSeptra	DETERMINATION OF ADSORPTION PROPERT	81.089	GR0004662	-	3,267
	DETERMINATION OF CO2 ADSORPTION PRO	81.089	GR0003984	-	(80)
Los Alamos National Security LLC	#112647 BASIC AGRMNT #74472-001-09	81.rd	GR0003532	-	12,569
	1236 RADIO SCIENCE	81.rd	GRP001236	-	68,846
	75110-001-09	81.122	GR0003064	-	136
	ACTINIDE CHEMISTRY RESEARCH IN SUPP	81.rd	GR0004748	-	84,914
	ATTENUATION STRUCTURE OF NORTHEAST	81.rd	GR0004168	-	60,548
	CXDI EXPERIMENTAL SYSTEMS	81.rd	GR0004759	-	18,500
	LANL # 74243-001-010	81.rd	GR0003211	-	224,039
	LANL 82028-001-10	81.rd	GR0003376	-	37,465
	LANSCE PROFESSORSHIP WITH NMSU AT T	81.rd	GR0004377	-	124,891
	LUJAN NEUTRON SCATTERING CENTER AT	81.rd	GR0004124	-	180,007
	ONE-SIDED COMMUNICATION STATE OF TH	81.rd	GR0004379	-	25,974
	SYNTHESIS AND CHRACTERIZATION OF SE	81.rd	GR0004453	-	24,575
	SYNTHESIS OF SEMICONDUCTOR NANO	81.rd	GR0003573	-	15,178
	EFRC/CASP: SEMICONDUCTOR QUANTUM DO	81.rd	GR0004778	-	20,726

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Name of Program / Agency	Award Title	CFDA Number	Grant Code	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM					
National Renewable Energy Laboratory	HIGH-RESOLUTION MS PIPELINE FOR CHA	81.rd	GR0004477	-	29,364
Nuclear Waste Partnership LLC	CEMRC VOC/HM ANALYSIS	81.rd	GR0004400	-	54,546
	IN-VIVO RADIOBIOASSAY SERVICES	81.rd	GR0003998	-	34,638
Sandia Corporation	ADVISORY SERVICES	81.rd	GR0004014	-	57,297
	ENERGY DELIVERY-GRADUATE RESEARCH P	81.rd	GR0004571	-	40,980
	ENERGY DELIVERY-GRADUATE RESEARCH P	81.rd	GR0004627	-	126,247
	FLUID POLYMER BILAYER MATICES: TOWA	81.rd	GR0004570	-	37,216
	QUANTUM ELECTRONIC PHENOMENA	81.rd	GR0004717	-	37,107
	SANDIA AIS SUPPORT	81.rd	GRP001194	-	29,173
	STUDIES ON THE BEHAVIOR OF ALUMINUM	81.rd	GR0004068	-	6,148
	TESTING & EVALUATION 2013	81.rd	GR0004075	-	(1,545)
	ELECTRICALLY INJECTED NANOWIRE LASE	81.rd	GR0004729	-	4,217
University of Arizona	RAFT REGIONAL ALGALFEEDSTOCK TESTBE	81.087	GR0004336	-	320,429
Western Research Institute	SORBENT-BASED OXYGEN PRODUCTION FOR	81.089	GR0004724	-	3,841
Wildes Exploration, LLC	PLANT INDUCED METAL ION REDUCTANTS	81.rd	GR0004652	-	8,005
Arizona State University	REALIZATION OF ALGAE POTENTIAL REAP	81.087	GR0004781	-	32,915
			DOD Pass Thru	1,351	1,891,365
DEPARTMENT OF ENERGY (DOE) Total				623,211	5,910,045
DEPARTMENT OF INTERIOR (DOI)					
	AMERICAN PRONGHORN POPULATION ASSMT	15.657	GR0004233	-	5,196
	AN ASSESSMENT OF THE LANDSCAPE GENE	15.812	GR0004593	9,134	20,205
	ASSESSMENT OF DROUGHT IMPACTS ON SE	15.812	GR0004279	-	87,356
	ASSESSMENT OF LANDBIRD MONITORING I	15.rd	GR0004629	-	33,000
	CESU- STUDY OF THE GEOLOGY OF NLCS	15.238	GR0004061	-	3,433
	CHDN ADMINISTRATIVE SUPPORT NMSUDS	15.945	GR0004559	-	68,175
	CHIHUAHUAN DESERT NETWORK ADMIN SUP	15.945	GR0004314	-	14,395
	CLIMATE INFLUENCED STRESSORS TROUT	15.812	GR0003900	-	31,891
	CRP HABITAT BY THE LESSER PRAIRIE-C	15.812	GR0004275	-	96,190
	CULTURAL RESOURCE SUPPORT FOR ARCHA	15.rd	GR0004253	-	9
	DEMOGRAPHY AND SEASONAL MOVEMENT PA	15.655	GR0004219	-	43,941
	DOI BLM L10AC20426	15.238	GR0003497	-	3,531
	DOI/USGS G08AC00056	15.805	GR0002840	-	31,453
	ECOLOGY AND CONSERVATION WHITE SAND	15.rd	GR0004010	-	1,251
	EVALUATING ADAPTIVE CAPACITY OF DES	15.812	GR0004721	-	163
	EVALUATION OF INTERMITTENCY OF STRE	15.812	GR0004197	-	(11)
	GREATER SANDHILL CRANE ECOL / DEMO	15.655	GR0004369	-	51,625
	INVESTIGATING IMPACTS OF ENERGY DEV	15.812	GR0004196	-	41,374
	LESSER PRAIRIE CHICKEN MANAGEMENT A	15.231	GR0004194	-	16,928
	MAPPING BIODIVERSITY METRICS	15.812	GR0003553	-	94,758
	MEASURING SCALED QUAIL DEMOGRAPHY A	15.231	GR0004074	-	12,518
	MEASURING SCALED QUAIL DEMOGRAPHY A	15.812	GR0003996	-	6,441
	MODELING THE EFFECTS OF CLIMATE CHA	15.812	GR0004276	(412)	37,201
	MONITORING AND FORECASTING CLIMATE,	15.808	GR0004403	60,640	153,573
	MULTI-SCALE BIODIVERSITY METRIC MAP	15.812	GR0004505	-	7,792
	OAS BAT 5	15.rd	GRP001238	-	5,040
	PILOT-SCALE TESTING OF MONOVALENT P	15.506	GR0004663	-	15,658
	POPULATION DYNAMICS AND REINTRODUCT	15.812	GR0003923	-	9,949
	QUANTIFYING HABITAT WHOOPING CRANE	15.945	GR0004397	-	34,727
	SEASONAL ECOLOGY OF PECOS PUPFISH I	15.812	GR0003927	(1,972)	14,175
	US DOI/BOR R10AC80283	15.506	GR0002841	-	530,330
	USDOI/USGS G10AC00516	15.805	GR0003478	-	4,425
	USGS G11AC20383	15.812	GR0003720	-	(3)
	VALIDATION OF MOLECULAR SCREENING T	15.812	GR0004563	-	36,896
	WHITE SANDS NATIONAL MONUMENT ARCHA	15.945	GR0004262	-	18,807
	WRRI PROGRAM	15.805	GR0003622	10,302	99,875
	GROUNDWATER EXPLORATION, ASSESSMENT	15.805	GR0004191	-	71
	PREDATION RATES AND USE OF HABITATS	15.650	GR0004730	-	149
	GRP001247 ELEPHANT BUTTE	15.rd	GRP001247	-	160
			DOI Direct	77,692	1,632,647
National Fish and Wildlife Foundation	IMPACTS ON LESSER PRAIRIE-CHICKEN P	15.663	GR0004231	-	(1,275)
Pueblo of Jemez	RESOURCE SELECTION AND MOVEMENTS OF	15.639	GR0004352	-	38,691
State of New Mexico	CROP COEFFICIENTS FOR THE MIDDLE RI	15.557	GR0004138	-	(130)
University of Arizona	REVERSE OSMOSIS CONCENTRATE MANAGEM	15.506	GR0004741	-	1,058
University of Wyoming	DEVELOPING NON-DESTRUCTIVE METHODS	15.945	GR0004264	-	922
			DOI Pass Thru	-	39,266
DEPARTMENT OF INTERIOR (DOI) Total				77,692	1,671,913
DEPARTMENT OF EDUCATION (EDUC)					
Texas A&M University	SWELL PROJECT FY15	84.305	GR0004562	-	72,192

See accompanying independent auditors' report



Schedule 9 - 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					
			EDU Pass Thru	-	72,192
Utah State University	101008001	84.396	GR0003539	-	340,304
			EDUC ARRA	-	340,304
	DEPARTMENT OF EDUCATION (EDUC) Total			-	412,496
ENVIRONMENTAL PROTECTION AGENCY (EPA)					
	FY13 POLLUTION PREVENTION GRNT PRGM	66.708	GR0004384	-	57,096
	FY14 POLLUTION PREVENTION GRNT PRGM	66.708	GR0004647	-	20,523
	POLLUTION PREVENTION GRANT PRGM	66.708	GR0004058	-	61,353
			EPA Direct	-	138,972
University of Texas	WATER TREATMENT SYSTEMS	66.509	GR0003880	-	30,080
			EPA Pass Thru	-	30,080
	ENVIRONMENTAL PROTECTION AGENCY (EPA) Total			-	169,052
DEPARTMENT OF HOMELAND SECURITY (DHS)					
Northeastern University	AWARENESS AND LOCALIZATION OF EXPLO	97.061	GR0004391	-	103,219
			DHS Pass Thru	-	103,219
	DEPARTMENT OF HOMELAND SECURITY (DHS) Total			-	103,219
US TRADE DEVELOPMENT AGENCY (USTDA)					
CELSIA S.A. E.S.P. Comision Ejecutiva Hidroelectrica Del Rio Lempa	FEASIBILITY STUDY FOR 20 MW HYBRID	59.rd	GR0004146	37,252	99,503
	FEASIBILITY STUDY FOR 3 MW SOLAR PA	59.rd	GR0004030	-	2,276
			USTDA Pass Thru	37,252	101,779
	US TRADE DEVELOPMENT AGENCY (USTDA) Total			37,252	101,779
AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)					
University of Georgia	AN INTEGRATED GLOBAL BREEDING APPRO	98.012	GR0004407	30,000	76,214
			USAID Pass Thru	30,000	76,214
	AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) Total			30,000	76,214
DEPARTMENT OF TRANSPORTATION (DOT)					
	FAA 10-C-CST-NMSU	20.109	GR0003529	-	24,887
			DOT Direct	-	24,887
State of New Mexico Mississippi State University	DEVELOP AND DEPLOY STATE OF THE ART 1248 MISS STATE CONTRACT #008821	20.rd 20.rd	GR0004174 GRP001248	- -	12,955 2,091
			DOT Pass Thru	-	15,046
	DEPARTMENT OF TRANSPORTATION (DOT) Total			-	39,933
DEPARTMENT OF COMMERCE (DOC)					
Economic Development Cluster	INNOVATION FRONTIER SOUTHWEST PROPO	11.307	GR0004386	-	-
	GRADUATE ASSISTANT- BORDER TECHNOLO	11.307	GR0004767	-	4,320
			Economic Development Cluster	-	4,320
University of Arizona	CLIMAS AIR QUALITY AND CLIMATE ASSE	11.431	GR0004207	-	33,022
			DOC Pass Thru	-	33,022
	DEPARTMENT OF COMMERCE (DOC) Total			-	37,342
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				\$ 15,055,175	\$ 79,264,291

See accompanying independent auditors' report

Schedule 9 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	CFDA Number	Grant Code	Subrecipient Expenditures	Total Expenditures
STUDENT FINANCIAL AID CLUSTER					
DEPARTMENT OF EDUCATION (EDUC)					
	FEDERAL PELL FY13	84.063	GRB000099	-	(5,739)
	FEDERAL PELL FY14	84.063	GRB000108	-	52,748
	FEDERAL PELL FY15	84.063	GRB000116	-	44,770,556
	FEDERAL SEOG FY14	84.063	GRB000113	-	75,209
	FEDERAL SEOG FY15	84.063	GRB000117	-	603,462
	FEDERAL TEACH GRANT FY15	84.379	GRB000118	-	26,474
	IRAQ AND AFGHANISTAN SERVICE GRANT	84.xx	GRB000138	-	441
	WORKSTUDY FED APP	84.033	GR0000870	-	882,947
	PERKINS LOAN CANCELLATIONS	84.037		-	157,377
	DEPARTMENT OF EDUCATION (EDUC) Total			-	46,563,475
DEPARTMENT OF VETERANS ADMINISTRATION (VA)					
	REPORTING OF VETERANS	64.xx		-	12,451
	DEPARTMENT OF VETERANS ADMINISTRATION (VA) Total			-	12,451
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				\$ -	\$ 46,575,926

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Schedule 9 - 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 HEALTH & HUMAN SERVICES (HHS)					
	1D40HP26863-01-00 HHS	93.191	GR0004566	-	198,084
	ACF HEALTHY MARRIAGE PROJ	93.086	GR0004350	-	282,193
	ACF HEALTHY MARRIAGE PROJ	93.086	GR0004648	-	617,962
	BRIDGES TO THE BACCALAUREATE	93.859	GR0003227	-	150,865
	COMPREHENSIVE GERIATRIC EDUCATION P	93.265	GR0003980	-	259,777
	DAC HEAD START OPERATIONS FY13-14	93.6	GR0004097	-	59,535
	DAC HEAD START OPERATIONS FY14/15	93.6	GR0004540	-	1,684,414
	FDA 1R13FD003952	93.103	GR0003530	-	6,537
	NIH MARC5T34GM007667-36	93.859	GR0004225	-	(11)
	NIH MARC5T34GM007667-37	93.859	GR0004481	-	444,795
	NMSU RISE TO THE POSTDOCTORATE PRGM	93.859	GR0004343	-	739,403
	SCHOLARSHIPS FOR DISADVANTAGED STUD	93.925	GR0004078	-	190,561
	SCIENCE TOOLS IN THE CLASSROOM (STC	93.351	GR0004482	7,713	163,957
	SCREENING, BRIEF INTERVENTION AND R	93.243	GR0004637	-	187,815
	SUICIDE PREVENTION AT NMSU	93.243	GR0003758	-	21,096
	NIH MARC5T34GM007667-38	93.859	GR0004821	-	86,263
			HSS Direct	7,713	5,093,246
Joslin Diabetes Center, Inc.	PATHWAYS TO BETTER HEALTH THROUGH A	93.61	GR0004133	-	119,769
Molina Healthcare, Inc.	HEALTH PLANS PREVENTING DIABETES AN	93.739	GR0004165	-	91,895
State of New Mexico	CAPT CHILD & FAMILY SERVICES TRAINI	93.669	GR0004285	-	95,244
	CHILDREN'S LAW INSTITUTE	93.556	GR0004071	-	10,000
	COURT IMPROVEMENT PROJECT, CHILDREN	93.586	GR0004284	-	2,027
	COURT IMPROVEMENT PROJECT, CHILDREN	93.586	GR0004532	-	29,894
	CYFD IMPROVE INVESTIGATION & GATHER	93.643	GR0004556	-	15,642
	INDEPENDENT LIVING CONFERENCE	93.674	GRF004511	-	19,800
	NEW MEXICO SYSTEMS OF CARE	93.104	GR0004423	-	614,113
	NM CITIZEN REVIEW BOARD	93.xx	GRF004577	-	174,945
	NM CYFD TITLE IV-E FY14	93.658	GR0004274	-	(886)
	SAMSHA NEW MEXICO SYSTEMS OF CARE	93.104	GRF004677	-	219,379
	SWAG YEAR 2	93.235	GR0004361	62,284	113,849
	SWAG YEAR 3	93.235	GR0004657	243,271	318,491
	TITLE IV-B PROGRAM	93.556	GR0002846	-	(121)
	TITLE IV-B PROGRAM	93.556	GR0004534	-	35,695
	TITLE IV-B PROGRAM FY15	93.556	GR0004585	-	170,565
	TITLE IV-B PROGRAM FY14	93.556	GR0004283	-	1,819
	TITLE IV-E PROGRAM	93.658	GR0004539	-	941,429
	SOAR	93.xx	GR0004758	58,550	65,545
	HEALTHY HOMES ASTHMA	93.07	GR0004769	-	13,124
	HEALTHY TRANSITIONS NEW MEXICO	93.xx	GR0004782	257,890	291,555
	HEALTHY HOMES LEAD	93.07	GR0004834	-	6,983
The Research Foundation for SUNY	HISPANIC CHILD WELFARE TRAINING PRO	93.648	GR0004080	-	7,204
University of New Mexico	ACADEMIC SCIENCE EDUCATIONS AND REA	93.859	GR0003214	-	3,342
	ACADEMIC SCIENCE EDUCATIONS AND REA	93.859	GR0004740	-	6,039
	ALCOHOL ABUSE PREVENTION	93.959	GR0004633	-	8,500
	FEDERAL AHEC FY14	93.107	GR0004398	-	83,919
	MOA ALCOHOL ABUSE PREVENTION	93.959	GR0004309	-	(454)
	REACHING PRACTICING MCH PROFESSIONA	93.11	GR0004641	-	39,441
University of Tennessee	NAT'L FOOD SAFETY CURRICULUM	93.103	GR0003857	-	25,430
Community Foundation of Southern New Mexico	UP - UNIFIED PREVENTION COALITION	93.xx	GR0004779	-	12,249
			HSS Pass Thru	621,995	3,536,426
	DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total			629,708	8,629,672
DEPARTMENT OF AGRICULTURE (USDA)					
USDA SNAP Cluster					
	SNAP FED FY14	10.561	GR0004334	-	391,188
	SNAP FED FY15	10.561	GR0004642	-	480,880
			SNAP Cluster	-	872,068
USDA Child Nutrition Cluster					
	SUMMER FOOD SERV UPWARD BOUND #3070	10.559	GR0004495	-	6,219
	2014 SUMMER FOOD SRVC PRGM TALENT S	10.559	GR0004536	-	2,748
			Child Nutrition Cluster	-	8,967

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Schedule 9 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	CFDA Number	Grant Code	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
USDA Direct Awards					
	12/15 NM SPECIALTY CROPS BLOCK GRAN	10.17	GR0004103	10,000	119,521
	13/14 NM ENHANCED PASSIVE SURVEILLA	10.025	GR0004356	19,273	56,028
	13/14 USDA WILDLIFE SERVICE	10.028	GR0004462	-	-
	13/16 NM SPECIALTY CROPS BLOCK GRAN	10.17	GR0004364	53,886	198,417
	2014 MARKET NEWS SERVICE	10.17	GR0004643	-	8,373
	2014 PEST DETECTION / CORN BUNDLED	10.025	GR0004402	-	6,358
	2014 USDA INFRASTRUCTRE(CORE) PROJ	10.025	GR0004408	-	30,940
	2014/15 RED IMPORTED FIRE ANT SURVE	10.025	GR0004635	-	6,781
	BUILDING AN UNDERSTANDING OF CATTLE	10.156	GR0004059	8,926	10,061
	CHILDREN'S FOREST	10.xx	GR0020086	-	840
	CHINA MINSTRY AGRICULTURE EXCHANGE	10.961	GR0004594	-	36,092
	DTV GRANT SILVER CITY USDA RUS	10.861	GR0003966	-	206,391
	EXTENSION INTEGRATED PEST MANAGEMEN	10.5	GR0003395	-	89,948
	EXTENSION INTEGRATED PEST MANAGEMEN	10.5	GR0004355	-	23,594
	FARM BILL PRODUCER EDUCATION	10.xx	GR0004680	-	10,363
	FMHA AG MEDIATION 2014	10.435	GR0004476	-	75,129
	IMPROVING THE COMPETITIVENESS OF LT	10.303	GR0004595	-	124,167
	JICARILLO FEDERALLY-RECOGNIZED TRIB	10.5	GR0004297	-	74,519
	MAKE A POSITIVE DIFFERENCE IN THE L	10.902	GR0004660	-	2,564
	NEW MEXICO OUTREACH PROJECT	10.443	GR0004034	-	72,098
	NM ALIRT NM AG/LIVESTOCK INCIDENT R	10.304	GR0004011	-	48,578
	NRM TECHNICAL ASSISTANCE-WAT	10.96	GR0004421	-	195,804
	ORGANIC CERTIFICATION COST SHARE	10.171	GR0004555	-	36,203
	ORGANIC CERTIFICATION COST SHARE	10.171	GR0004787	-	19,673
	PREPARING STUDENTS FOR CAREER PATHS	10.223	GR0003797	449,433	889,924
	RAISING THE GATES: ADDRESSING GAPS	10.223	GR0004589	-	14,178
	RENEWAL RESOURCES RREA FED APPROP F	10.2	GR0004326	-	35,450
	RENEWAL RESOURCES RREA FED APPROP F	10.2	GR0004607	-	21,058
	SETTING UP FOR SUCCESS: DEVELOPING	10.253	GR0004630	-	45,975
	SOUTHERN PUEBLOS BEGINNING FARMERS	10.311	GR0003977	18,553	206,688
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.5	GR0003752	-	94,074
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.5	GR0004022	-	79,751
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.5	GR0004324	-	(17,533)
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.5	GR0004605	-	2,246
	SPECIALTY CROP BLOCK GRANT	10.17	GR0003808	8,575	13,808
	STATE EXPANDED FOOD NUTRITION EFNEP	10.5	GR0004021	-	213,135
	STATE EXPANDED FOOD NUTRITION EFNEP	10.5	GR0004323	-	370,853
	STATE EXPANDED FOOD NUTRITION EFNEP	10.5	GR0004604	-	19,641
	STATE OPERATION FEDERAL SMITH LEVER	10.5	GR0004321	-	712,218
	STATE OPERATION FEDERAL SMITH LEVER	10.5	GR0004602	-	1,136,596
	SUPPORTING CLIMATE-SMART DECISION M	10.001	GR0004549	-	8,399
	SUPPORTING INSTRUCTION IN SOIL & PL	10.223	GR0003612	-	2,446
	SYNDROMIC SURVEILLANCE PROGRAM	10.025	GR0004060	-	3,500
	THE JOE SKEEN STUDENT CAREER EXPERI	10.028	GR0004084	-	612
	THE JOE SKEEN STUDENT CAREER EXPERI	10.028	GR0004548	-	11,987
	THE JOE SKEEN STUDENT CAREER EXPERI	10.028	GR0004649	-	13,071
	USDA ERS 58-3000-2-0103	10.25	GR0004098	-	2,454
	USDA-NRCS - TECHNICAL ASSISTANCE TO	10.912	GR0004054	-	489,640
	WESTERN SMALL FARM IPM WORKING GROU	10.5	GR0003474	11,463	12,300
	ZUNI FEDERALLY RECOGNIZED TRIBES EX	10.5	GR0004293	-	32,542
	FY15 FERS RETIREMENT	10.5	GR0004606	-	18,682
	SPECIALTY CROPS BLOCK GRANT PROGRAM	10.17	GR0004675	61,768	68,249
	14/15 USDA WILDLIFE SERVICE	10.028	GR0004790	-	14,472
	2015 USDA INFRASTRUCTRE AND PINE PE	10.025	GR0004814	-	11,330
			USDA Direct	641,877	5,980,188
Arizona State University	FOOD SYSTEM SUSTAINABILITY IN THE S	10.172	GR0004712	-	5,821
Developing Innovations in Navajo Education, Inc. DINE, Inc.	NATIVE AMERICAN PRODUCER SUCCESS II	10.443	GR0004696	-	3,221
Dine College	STAFF CAPACITY BUILDING	10.5	GR0003859	-	6,086
Kansas State University	2014 4-H MILITARY PARTNERSHIP GRANT	10.5	GR0004380	-	7,319
	2015 4-H MILITARY PARTNERSHIP GRANT	10.5	GR0004670	-	8,364
Michigan State University	CAPE: COMMUNITY ASSESSMENT AND EDUC	10.5	GR0004417	-	7,030
National Center for Frontier Communities	GILA REGION FOOD HUB FEASIBILITY ST	10.172	GR0004676	-	269
Regents University of California Davis	2013 IR-4 WESTERN REGION FOOD USE R	10.2	GR0004351	-	48,720
	2014 IR-4 WESTERN REGION USE EFFIC	10.2	GR0004597	-	3,998
	2014 IR-4 WESTERN REGION FOOD USE R	10.2	GR0004596	-	34,484
	WESTERN REGION PLANT DIAGNOSTIC NET	10.304	GR0004050	-	23,815

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INDIVIDUAL AWARDS - OTHER					
South Dakota State University	USDA/NIFA 3TB576	10.217	GR0003868	-	-
Southwestern Indian Polytechnic Institute	TRAINING FOR UNDERGRADUATE RESEARCH	10.227	GR0004551	-	18,293
State of New Mexico	CACFP AGREEMENT #0664	10.558	GR0003411	-	9,676
	HEADSTART CHILD AND ADULT CARE FOOD	10.558	GR0002857	-	134,946
Texas A&M University- Kingsville	THE LEADERS PROGRAM: LEARNING, ENHA	10.223	GR0004342	-	91,223
Texas State University	SOUTHWEST AGRICULTURE AND FOOD SAFE	10.223	GR0004719	-	20,006
The Board of Regents of the University of Nebraska	STEC IN THE BEEF CHAIN	10.31	GR0004272	-	36,373
The Trustees of Purdue University	EDEN HOMELAND SECURITY INITIATIVE V	10.304	GR0004682	-	739
	STRONGER ECONOMIES TOGETHER IV (NOR	10.771	GR0004466	-	15,885
University of Arizona	NAVAJO AG/4H	10.5	GR0000815	-	90,908
University of Connecticut	CONNECTICUT FITNESS AND NUTRITION C	10.31	GR0004232	-	527
University of Delaware	DEVELOPMENT AND ASSESSMENT OF AN ED	10.217	GR0004176	-	32,750
University of Wyoming	SARE FELLOWS TRAINING PROGRAM	10.5	GR0004489	-	229
Washington State University	NAVAJO FARM TO SCHOOL PROJECT	10.5	GR0004558	-	3,079
	NAVAJO FARMER AND RANCHER RESOURCE	10.5	GR0004687	-	2,000
North Carolina State University	BUILDING CAPACITY TO CONTROL VIRAL	10.31	GR0003936	-	184,102
Pennsylvania State University	FARMERS MARKET & LOCAL FOOD PROMOTI	10.5	GR0004762	-	1,868
	USDA Pass Thru			-	791,731
DEPARTMENT OF AGRICULTURE (USDA) Total				641,877	7,652,954
DEPARTMENT OF EDUCATION (EDUC)					
EDUC TRIO Cluster					
	US DOEd P042A100782	84.042	GR0003424	-	445,679
	NMSU EDUCATIONAL TALENT SEARCH	84.066	GR0003742	-	248,110
	NMSU-TRIO-UPWARD BOUND PROGRAM	84.047	GR0004033	-	331,131
	TRIO Cluster			-	1,024,920
	ALLIED HEALTH/NURSING PROGRAM	84.031	GR0030075	-	403,188
	CAMBIANDO NUESTRO DE APRENDIZAJE	84.031	GR0050053	-	129,138
	CLASS FOR ALL-NM: CULTURALLY AND LI	84.325	GR0004307	95,572	198,275
	COLLEGE ASSISTANCE MIGRANT PGM CAMP	84.149	GR0004012	-	436,843
	CONNECTING TO STEM: IDENTIFYING THE	84.031	GR0050027	-	281,136
	IMPROVING INSTRUCTION FOR ENGLISH L	84.365	GR0003949	-	364,936
	NASNTI PROGRAM FY11-FY16	84.382	GR0050034	-	359,449
	NM-PASS PREPARING AUTISM SPECTRUM	84.325	GR0003504	-	103,213
	NO TIME TO LOSE: A HEAD START TO ST	84.031	GR0020081	-	514,036
	P031C110087 SECO 2011-2016	84.031	GR0020087	-	825,666
	NO TIME TO LOSE: A HEAD START TO ST	84.031	GR0020081	-	-
	P031C110087 SECO 2011-2016	84.031	GR0020087	-	39,000
	CAMBIANDO NUESTRO DE APRENDIZAJE	84.031	GR0050053	-	8,333
	CONNECTING TO STEM: IDENTIFYING THE	84.031	GR0050027	-	218,398
	SELDs 2011 TO 2016	84.325	GR0003813	-	125,207
	TRAINING GRADUATE STUDENTS FOR RESE	84.002	GR0004066	-	151,560
	TRI-NATIONAL INDIGENOUS RURAL TOURI	84.116	GR0003466	13,487	32,191
	US DEPT OF ED H325K080309	84.325	GR0002762	-	933
	EDUC Direct			109,059	4,191,502
National Writing Project	BORDERLANDS WRITING PROJECT	84.367	GR0003979	-	12,448
New Mexico Higher Education Department	NM ABE 14-15 FEDERAL	84.004	GRF040152	-	339,932
State of New Mexico	2014 MC2 TITLE II IMPROVING TEACHER	84.367	GR0004538	-	73,706
	CARL PERKINS 2013-2014	84.048	GR0004143	-	(649)
	CARL PERKINS 2014-2015	84.048	GR0004151	-	527,781
	CP CAREER & TECH REDISTRIBUTION	84.048	GR0004148	-	74,992
	CP REDISTRIBUTIONS	84.048	GR0004145	-	1,775
	MATHEMATICALLY CONNECTED MC2	84.367	GR0004291	-	17,874
	NM HED ABE FY14 GRANTS	84.002	GRF050049	-	15
	NM HED ABE FY15 CARLS	84.004	GRF030085	-	116,373
	NM HED ABE FY15 GRANTS	84.004	GRF050051	-	49,036
	NMHED ABE FY15	84.004	GRF020097	-	86,065
	SC2 IMPROVING TEACHERS' EFFECTIVENE	84.367	GR0004290	-	26,868
	SC2 IMPROVING TEACHERS' EFFECTIVENE	84.367	GR0004537	-	73,721
University of New Mexico	UNM 208070-8745	84.031	GR0050044	-	374,030
	EDUC Pass Thru			-	1,773,967
DEPARTMENT OF EDUCATION (EDUC) Total				109,059	6,990,389

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Name of Program / Agency	Award Title	CFDA Number	Grant Code	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)					
	COMPETITIVE OPPORTUNITY FOR PARTNER	43.008	GR0004645	21,276	51,614
	FY 15 NASA JSC STEM-INNOVATION	43.001	GR0004658	-	8,879
	NASA NNX07AO42A	43.xx	GR0002485	-	1,135
	NASA TRAINING GRANT ANNOUNCEMENT	43.001	GR0003400	137,702	576,582
	SUMMER OF INNOVATION: LAUNCH AND LE	43.xx	GR0003307	-	275,111
			NASA Direct	158,978	913,321
Jacobs Technology Inc.	COOP ED AGREEMENT 5/11/11	43.xx	GR0003671	-	198,181
Paragon TEC	NASA PRE-SERVICE	43.xx	GR0004671	-	22,036
	NASA SEMAA 2013	43.xx	GR0004052	-	296,602
			NASA Pass Thru	-	516,819
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) Total			158,978	1,430,140
ENVIRONMENTAL PROTECTION AGENCY (EPA)					
	13/15 US EPA	66.7	GR0004347	-	454,133
	FY11 P2 NP-00F40101	66.708	GR0003794	-	1,249
			EPA Direct	-	455,382
	ENVIRONMENTAL PROTECTION AGENCY (EPA) Total			-	455,382
DEPARTMENT OF HOMELAND SECURITY (DHS)					
State of New Mexico	2012 EMERGENCY MANAGEMENT PERFORMAN	97.042	GR0004259	-	658
	2014 EMERGENCY MANAGEMENT PERFORMAN	97.042	GR0004530	-	297,681
	2014 NMHSEM CONFERENCE	97.067	GR0004514	-	77,033
	MARCH 2014-NMDHSEM-AG EXERCISE	97.042	GR0004412	-	1,479
	2013 NEW MEXICO WILDFIRE MITIGATION	97.039	GR0004209	-	43,191
University of Tennessee	ISOLATION AND QUARANTINE RESPONSE S	97.005	GR0004416	-	13,703
	RESPONSE TO AN EXPANDED ALL-HAZARDS	97.005	GR0004414	-	13,703
			DHS Pass Thru	-	447,448
	DEPARTMENT OF HOMELAND SECURITY (DHS) Total			-	447,448
DEPARTMENT OF DEFENSE (DOD)					
	DOD W91WAW-10-1-0001	12.599	GR0003282	-	40,006
	PRE-USASMA COURSE - ENGLISH WRITING	12.xx	GR0004474	-	8,183
	PRE-USASMA COURSE - ENGLISH WRITING	12.xx	GR0004826	-	13,051
	STIR-MECHANISMS OF ENHANCING IMPACT	12.431	GR0004845	-	315
	DOD W91WAW-10-1-0001	12.599	GR0003282	-	258,734
	ACQUISITION OF A HIGH-RESOLUTION HI	12.63	GR0004419	-	2,343
			DOD Direct	-	322,632
Academy of Applied Science	2014 REAP	12.431	GR0004485	-	1,396
	2014 REAP	12.431	GR0004486	-	1,292
New Mexico Institute of Mining and Technology	NM BEST ROBOTICS	12.8	GR0004644	-	20,000
	AFRL YOUNG ENTREPRENEUR PROGRAM	12.615	GR0004750	-	4,942
			DOD Pass Thru	-	27,630
	DEPARTMENT OF DEFENSE (DOD) Total			-	350,262
DEPARTMENT OF COMMERCE (DOC)					
DOC Economic Development Cluster	I6 ARROWHEAD INNOVATION NETWORK (AI	11.307	GR0004108	36,076	239,768
			Economic Development Cluster	36,076	239,768
	THE NEW MEXICO REGIONAL COMMERCIALI	11.303	GR0004316	-	79,512
			DOC Direct	-	79,512
Southwest New Mexico Council of Governments	COMPREHENSIVE ECONOMIC DEV STRATEGY	11.302	GR0004359	-	14,873
			DOC Pass Thru	-	14,873
	DEPARTMENT OF COMMERCE (DOC) Total			36,076	334,153

See accompanying independent auditors' report

Schedule 9 - 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 ENERGY (DOE)					
	CEMRC WIPP-EM	81.104	GR0004357	-	89,578
			DOE Direct	-	89,578
Battelle Memorial Institute	USE OF MASS-FLUX MEASUREMENT AND VA	81.079	GR0004281	-	1,324
Los Alamos National Security LLC	NM SMALL BUSINESS ASSISTANCE	81.xx	GR0003570	-	42,037
Sandia Corporation	SANDIA - NMSBA 2012	81.xx	GR0003872	-	48,411
			DOE Pass Thru	-	91,772
DEPARTMENT OF ENERGY (DOE) Total				-	181,350
DEPARTMENT OF INTERIOR (DOI)					
	WOLF-LIVESTOCK DEMONSTRATION PROJEC	15.666	GR0004337	50,000	50,000
	WOLF-LIVESTOCK DEMONSTRATION PROJEC	15.666	GR0004340	20,000	20,000
	WOLF-LIVESTOCK DEMONSTRATION PROJEC	15.666	GR0004725	50,000	50,000
	WOLF-LIVESTOCK DEMONSTRATION PROJEC	15.666	GR0004726	20,000	20,000
			DOI Direct	140,000	140,000
America View	STATEVIEW PROGRAM DEVELOPMENT AND O	15.815	GR0004685	-	16,575
			DOI Pass Thru	-	16,575
DEPARTMENT OF INTERIOR (DOI) Total				140,000	156,575
SMALL BUSINESS ADMINISTRATION (SBA)					
State of New Mexico					
	NM SBDC FY15	59.037	GRF020098	-	20,688
	NMSBDC 2014-15	59.037	GRF030086	-	12,417
	SBDC DACC FY15	59.037	GRF040150	-	22,388
	SBDC GRANTS FY15 FED	59.037	GRF050050	-	17,527
			SBA Pass Thru	-	73,020
SMALL BUSINESS ADMINISTRATION (SBA) Total				-	73,020
DEPARTMENT OF LABOR (DOL)					
Santa Fe Community College					
	HEALTH CARE ASSISTANT PATHWATAACCCT	17.282	GR0020099	-	12,946
	TAACCCT	17.282	GR0040132	-	20,315
				-	33,261
DEPARTMENT OF LABOR (DOL) Total				-	33,261
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
Dona Ana County					
	WEB-BASED DATABASE CREATION, POPULA	14.xx	GR0004114	-	21,035
			HUD Pass Thru	-	21,035
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) Total				-	21,035
DEPARTMENT OF JUSTICE (DOJ)					
State of New Mexico					
	DEA FORFEITURE FY13/14	16.001	GR0003991	-	1,008
			DOJ Direct	-	1,008
	THE ENFORCMENT OF UNDERAGE DRINKING	16.727	GR0004478	-	15,567
			DOJ Pass Thru	-	15,567
DEPARTMENT OF JUSTICE (DOJ) Total				-	16,575
TOTAL INDIVIDUAL AWARDS OTHER				1,715,698	26,772,216
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 16,770,872	\$ 152,612,433

See accompanying independent auditors' report

Schedule 9 - Schedule of Expenditures of Federal AwardsReconciliation to Statement of Revenues, Expenditures and Changes in Net Position**Federal Awards:**

Federal Appropriations, Grants and Contracts	\$ 106,972,461
Federal Pell Grant revenue	44,817,564
Portion of Capital Grants, Gifts and other Income related to Federal Awards	616,386
	<u>152,406,411</u>

Plus reconciling items:

Adjustment to federal revenue for accrued liabilities	<u>206,022</u>
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Federal Expenditures per Schedule 9

<u>\$ 152,612,433</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, 2015. 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 ended June 30, 2015, the University processed \$60,770,887 in new loans under the Direct Student Loan Program (which includes Stafford Loans and Parents' Plus Loans).

Note D: During the fiscal year ended June 30, 2015, there were no federal funds made available in the form of non-cash assistance.

Note E: Federal Perkins Loan Program, CFDA # 84.038. Perkins loans awarded for the year ending June 30, 2015 totaled \$2,519,450, and the outstanding student loan balances under the Federal Perkins Loan Program was \$14,108,152.

See accompanying independent auditors' report



KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Regents
New Mexico State University
and
Mr. Timothy Keller
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 (the University) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 12, 2016.

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 opinion 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.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Albuquerque, New Mexico
February 12, 2016



KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

The Board of Regents
New Mexico State University
and
Mr. Timothy Keller
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 the University's major federal program for the year ended June 30, 2015. The University's major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the University's compliance.

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 its major federal program for the year ended June 30, 2015.



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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its 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 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.

KPMG LLP

Albuquerque, New Mexico
February 12, 2016

Summary Schedule of Prior Audit Findings – June 30, 2015**Section II – Financial Statement Findings**

2014-001: Internal Controls over Accounts Payable (Finding that does not rise to the level of significant deficiency)

Current Status: Resolved

Section III – Federal Award Findings and Questioned Costs

2014-002 Student Financial Aid – Eligibility (Finding that does not rise to the level of significant deficiency/immateral instance of non-compliance)

Current Status: Resolved

2014-003 Research and Development Cluster – Suspension and Debarment (Finding that does not rise to the level of significant deficiency/immateral instance of non-compliance)

Current Status: Resolved

Other Findings as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

None

Schedule of Findings and Questioned Costs – June 30, 2015

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:			Unmodified
Internal control over financial reporting:			
Material weaknesses identified?	<u> </u> yes	<u> x </u> no	
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> yes	<u> x </u> None reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no	

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	<u> </u> yes	<u> x </u> no	
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> yes	<u> x </u> 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 OMB Circular A-133?	<u> </u> yes	<u> x </u> no	
Identification of major programs:			
Research and Development Cluster – Various CFDA numbers			
Dollar threshold used to distinguish between type A and type B programs			\$3,000,000
Auditee qualified as low-risk auditee?	<u> x </u> yes	<u> </u> no	

Schedule of Findings and Questioned Costs – June 30, 2015 (continued)

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Other Findings as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

None

An exit conference was held on November 5, 2015, to discuss the current audit report and auditors' comments. In attendance were the following individuals:

Representing the Board of Regents for New Mexico State University

Debra P. Hicks	Vice Chair
Amanda López Askin	Secretary/Treasurer
Brad Beasley	Audit Committee Community Member
Shari Jones	Audit Committee Community Member

Representing New Mexico State University

Garrey E. Carruthers	Chancellor
Daniel J. Howard	Executive Vice President and Provost
Angela Throneberry	Senior Vice President for Administration and Finance
Anna R. Price	Associate Vice President for Budget and Finance/Controller
Ross Justus	Chief Audit Officer
Lizbeth G. Ellis	Chief Legal Affairs Officer

Representing New Mexico State University Component Units

Andrea Tawney	Interim President, NMSU Foundation, Inc.
Tina Byford	Chief Operating Officer, NMSU Foundation, Inc.
Kevin Boberg	President Board of Arrowhead Center, Inc.
Kathryn Hansen	CEO, Arrowhead Center, Inc.

Representing KPMG LLP

John T. Kennedy	Lead Engagement Partner
Nicholas Williams	Audit Manager

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