

Financial Statements and Schedules



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June 30, 2016 and 2015**

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October 28, 2016

I am pleased to share the annual financial report of New Mexico State University (the University) for the fiscal years ended June 30, 2016 and 2015. The accompanying financial statements of the University are prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board. KPMG LLP, independent auditors, has examined the financial statements, and their unmodified opinion is displayed beginning on page 3 of the report.

Guided by the University's Vision 2020 Strategic Plan, we have continued our prudent fiscal management directly supporting efficient and effective utilization of our valuable resources. The University's total net position for the fiscal year ended June 30, 2016, excluding adjustments made related to the pension liability, increased by approximately \$25 million. Our successful strategies to realign expenditures with revenue projections have permitted targeted investments in priority areas while meeting our commitment to serve as a higher education leader in instruction, research, extension education and public service.

Aggie pride is evident throughout our beautiful campuses and we continue our emphasis on enhancing the learning experience of students through world-class facilities. We have recently completed major renovations to the Hardman and Jacobs Undergraduate Learning Center and the Corbett Center Student Union and started work on Jett Hall and Rentfrow Hall renovation projects. We are also pleased to be included in the 2016 general obligation bond which, if passed by voters, will provide NMSU with over \$27.0 million to fund capital improvements on our main and community college campuses.

Fiscal challenges for New Mexico have heightened over the past few months and are expected to have a cascading budgetary effect on state appropriations for the near future. Through continuation of initiatives focused on our strategic goals and vigilant operational management, the University is well positioned to face the anticipated funding contractions resulting from economic impacts, including pressures on state support and enrollment fluctuations. I was recently told by a member of the campus community "we will sail this ship together through the stormy seas". Through this collaborative approach and the combined talents, support and dedication of our Regents, faculty, staff, students and friends, I am confident we will navigate through these turbulent times and emerge as a stronger University and be better prepared than ever to deliver excellent service to the great people of New Mexico.

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

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 the New Mexico State University (the University), as of and for the years ended June 30, 2016 and 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the New Mexico State University, as of June 30, 2016 and 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the years 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, 2015, the Company adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

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 6-18, 89, and 90 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 statements of net position (schedule 1), combining statement of revenues, expenses, and changes in net position (schedule 2), budgetary comparison schedules (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 as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (schedule 9) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements of net position (schedule 1), combining statement of revenues, expenses, and changes in net position (schedule 2), budgetary comparison schedules (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 the 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 statements of net position (schedule 1), combining statement of revenues, expenses, and changes in net position (schedule 2), budgetary comparison schedules (schedule 3), bank balances, ledged collateral requirements, and pledge collateral by financial institution (schedule 4), joint powers of agreement (JPA) and memorandums of understanding (MOU) (schedule 5), and the 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 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 December 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
December 12, 2016

Management's Discussion and Analysis For the Year Ended June 30, 2016 (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, 2016, 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" 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.

For the years ended June 30, 2016, 2015 and 2014, the University's financial position was as follows:
(In thousands)

Condensed Net Position

	June 30, 2016	June 30, 2015	June 30, 2014
ASSETS			
Current assets	\$ 109,860	\$ 96,714	\$ 104,641
Capital assets, net	504,968	506,109	494,240
Other non-current assets	226,784	227,908	239,950
TOTAL ASSETS	841,612	830,731	838,831
DEFERRED OUTFLOWS OF RESOURCES			
	45,437	32,881	-
LIABILITIES			
Current liabilities	65,229	71,664	62,097
Pension liability	473,733	431,412	444,844
Other non-current liabilities	166,387	174,474	183,261
TOTAL LIABILITIES	705,349	677,550	690,202
DEFERRED INFLOWS OF RESOURCES			
	22,874	45,877	250
NET POSITION			
Net investment in capital assets	390,726	386,895	375,149
Restricted	134,608	120,518	120,344
Unrestricted	(366,508)	(367,228)	(347,114)
TOTAL NET POSITION	\$ 158,826	\$ 140,185	\$ 148,379

Condensed Revenues, Expenses, and Changes in Net Position

OPERATING REVENUES			
Federal appropriations, grants, and contracts	\$ 90,638	\$ 106,972	\$ 108,975
Student tuition and fees (net)	71,294	72,404	72,450
Other operating revenues	64,461	60,572	64,532
TOTAL OPERATING REVENUES	226,393	239,948	245,957
OPERATING EXPENSES			
Instruction	151,325	149,097	147,828
Research	92,090	106,275	107,812
Other operating expenses	295,794	304,540	292,567
TOTAL OPERATING EXPENSES	539,209	559,912	548,207
Net operating loss	(312,816)	(319,964)	(302,250)
Non-operating revenues and expenses	288,807	285,238	295,751
Loss before other revenues	(24,009)	(34,726)	(6,499)
Other revenues	42,650	26,532	26,867
Increase (Decrease) in net position	18,641	(8,194)	20,368
Net position at beginning of year	140,185	148,379	128,011
Net position at end of year	\$ 158,826	\$ 140,185	\$ 148,379

Note 1: Certain reclassifications were made to 2014 and 2015 information to conform to 2016 presentation.

General Overview for 2016 and 2015

In fiscal year 2016, total assets of the institution increased by \$10.9 million, deferred outflows increased by \$12.5 million, liabilities increased by \$27.8 million while deferred inflows decreased by \$23.0 million.

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

- ✚ Increase in accounts receivable of \$4.9 million, or approximately 9% over the prior year.
- ✚ Increases in cash and investments of approximately \$7.9 million.
- ✚ Decrease in unearned revenue of \$6.7 million due primarily to the recognition of revenue on various non-exchange gifts which had previously been deferred.
- ✚ Decrease in long-term liabilities of \$10.4 million, due primarily to principal payments made on outstanding revenue bonds.
- ✚ Increases in the pension liability of \$42.3 million, and changes in deferred outflows and deferred inflows as mentioned above. These items are related to the adjustments made to the pension liability as required by GASB 68.

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

Primary components which added to the \$18.6 million net increase from the prior year include:

- ✚ A reduction in the net operating loss of \$7.1 million
- ✚ Increase in gifts and non-exchange grants of \$3.2 million resulting from the recognition of previously deferred revenues.
- ✚ Increase in capital appropriations, and capital grants, gifts and other income of \$14.5 million.

These increases were offset in part by the following:

- ✚ A decrease in several revenue sources: Federal Pell grants of \$3.8 million, state lottery scholarship of \$1.5 million, investment income of \$1.8 million.

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-capital financing activities was from state appropriations. The most significant uses of cash were for payments to employees and for employee benefits and payments to suppliers.

General Overview for 2015 and 2014

In fiscal year 2015, total assets of the institution decreased by \$8.1 million and liabilities decreased by \$12.7 million. The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* was implemented in fiscal year 2015 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 were reflected in the financial statements for the first time in fiscal year 2015. 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 reporting requirements 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.

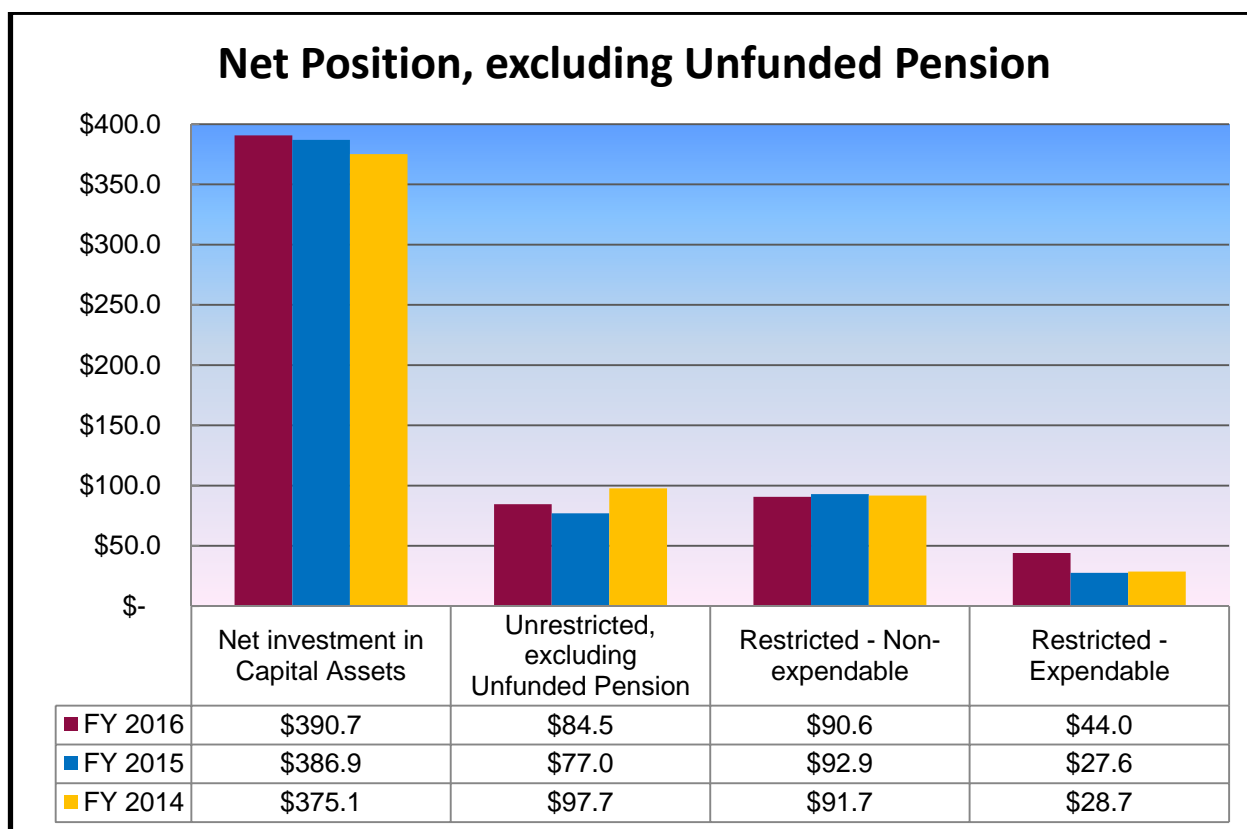
These decreases were offset in part by the following:

- ✚ 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-capital financing 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 2016, 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 2016 and 2015

Net operating revenues declined by \$13.6 million in fiscal year 2016 compared to 2015. The main contributor to the loss was in the federal appropriations, grants and contracts area which was the result of loss of funding for research and student financial aid. Student tuition and fees (net), one of the larger operating revenue sources, decreased by approximately \$1.1 million or 1.5%.

Although enrollment was lower in fiscal year 2016, a modest increase in the tuition rates helped mitigate the loss from the enrollment decline.

The most significant changes in operating revenues were as follows:

- ✚ Decrease in federal appropriations, grants and contracts of \$16.3 million (15.3%). The loss of the *Columbia Space Balloon Facility* contract with NASA resulted in reduced revenues of approximately \$20.1 million from the prior year. This decline was offset in part by a \$5.1 million dollar increase in funding from the Department of Defense for the *Information Operations Vulnerability/Survivability Assessment Program (IOVSA)*.
- ✚ Increase in state grants and contracts of \$1.6 million which can be attributed to the *NM LEAD* grant.
- ✚ A decrease in auxiliary enterprises revenue of \$1.5 million primarily from the housing and Corbett Center units.

The net operating loss for fiscal year 2016 was \$312.8 million and was less than the fiscal year 2015 operating loss of \$319.9 million by \$7.1 million.

Operating Revenues for 2015 and 2014

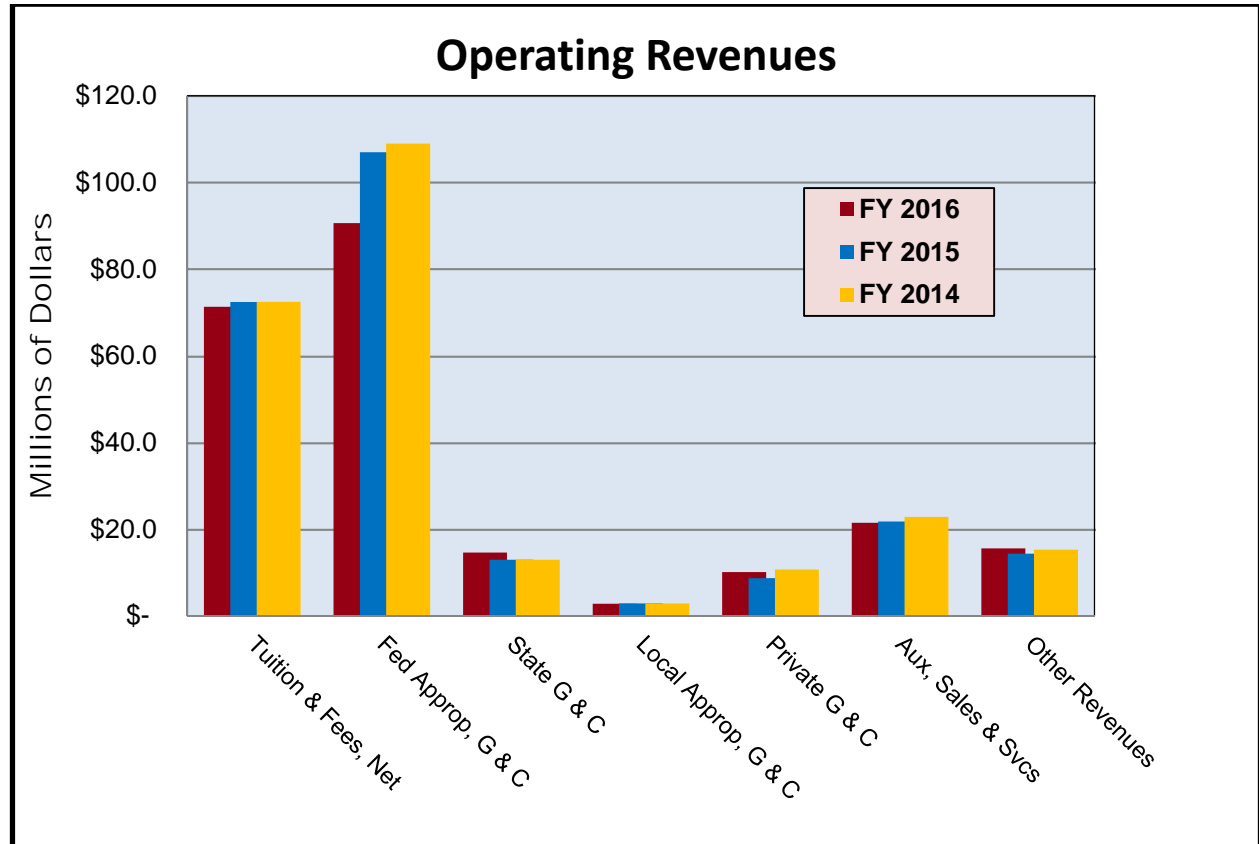
Student tuition and fees (net), one of the larger operating revenue sources, decreased slightly in fiscal year 2015. Other components of operating revenue also decreased, including federal appropriations, grants and contracts, non-governmental grants and contracts, sales and services, and other operating 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.

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 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.

The following graph illustrates a comparison of operating revenues (in millions) by type for fiscal years 2016, 2015 and 2014.



Operating Expenses for 2016 and 2015

Operating expenses decreased by \$20.7 million in fiscal year 2016 from the prior year. The increase in pension expense and change in deferred inflows and outflows of \$7.4 million over the prior year is a significant change in overall operating expenses. Although pension expense is allocated to the various expense functions based on salary expense, for purposes of this analysis, it has been removed so as to better analyze the remaining expenses. After removing the pension expense allocation, the largest dollar changes in operating expense were as follows:

- ✚ A decrease in research expense of \$15.4 million, primarily related to the loss of the CSBF contract mentioned above offset by the IOVA program expenditures.
- ✚ A decrease in operation and maintenance of plant expense of \$11.1 million largely attributed to one-time expenditures made related to the University's energy performance contract in the prior fiscal year.
- ✚ A reduction of scholarships and fellowships expense of \$3.8 million (11.3%). This decrease is due to declines in federal Pell awards resulting from declines in enrollment

and a reduction in funding from the New Mexico Lottery scholarship, which can be attributed both to enrollment declines and a reduction in the percentage of tuition funded.

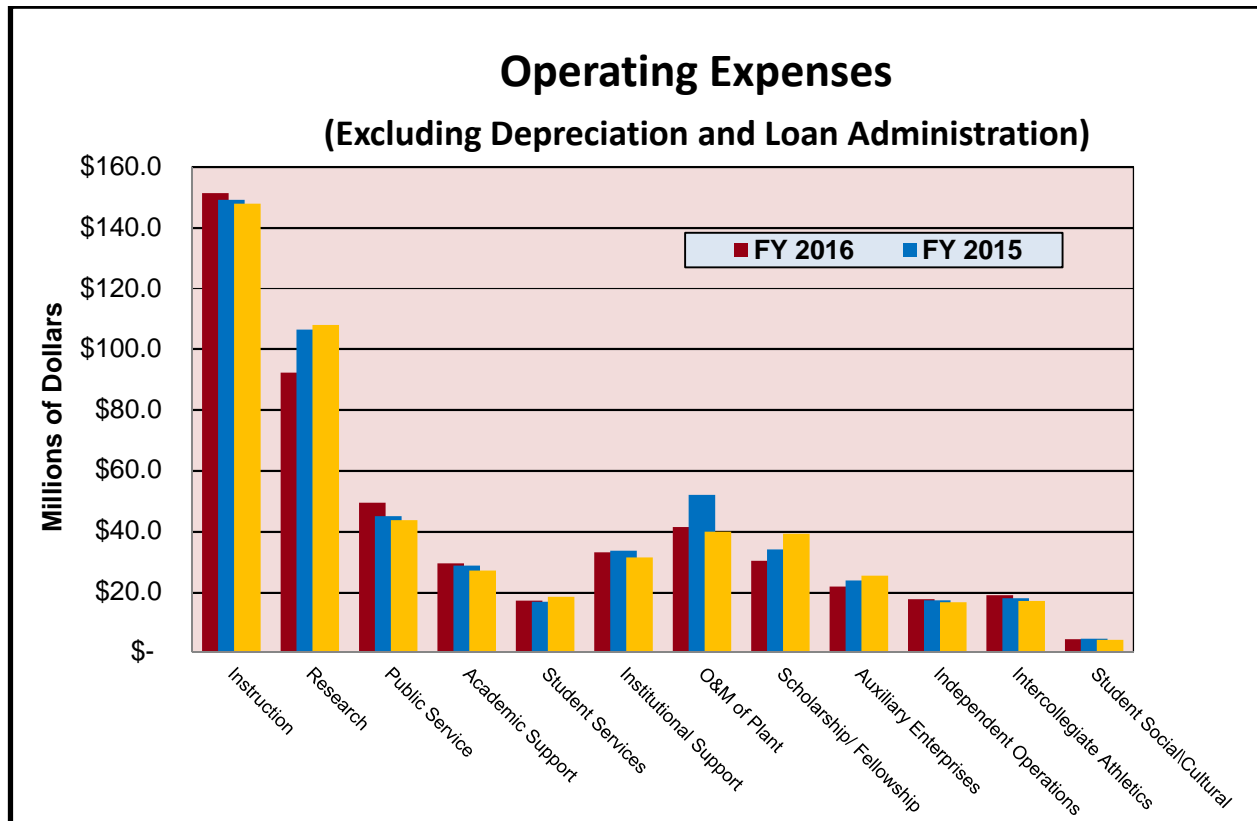
- ✚ An increase in public service of \$3.8 million, due primarily to the *NM LEAD* grant in the Business College, the *Collaborating for Outstanding Readiness in Education – Results Driven Accountability* grant in the Education College and the SNAP Ed grant in the College of Agricultural, Consumer, and Environmental Sciences. These increases were offset in part by completion of the Abstinence Education grant, *Success with Adolescent Goals* and the Comprehensive Geriatric Education program.

Operating Expenses for 2015 and 2014

The largest dollar changes in operating expense were as follows:

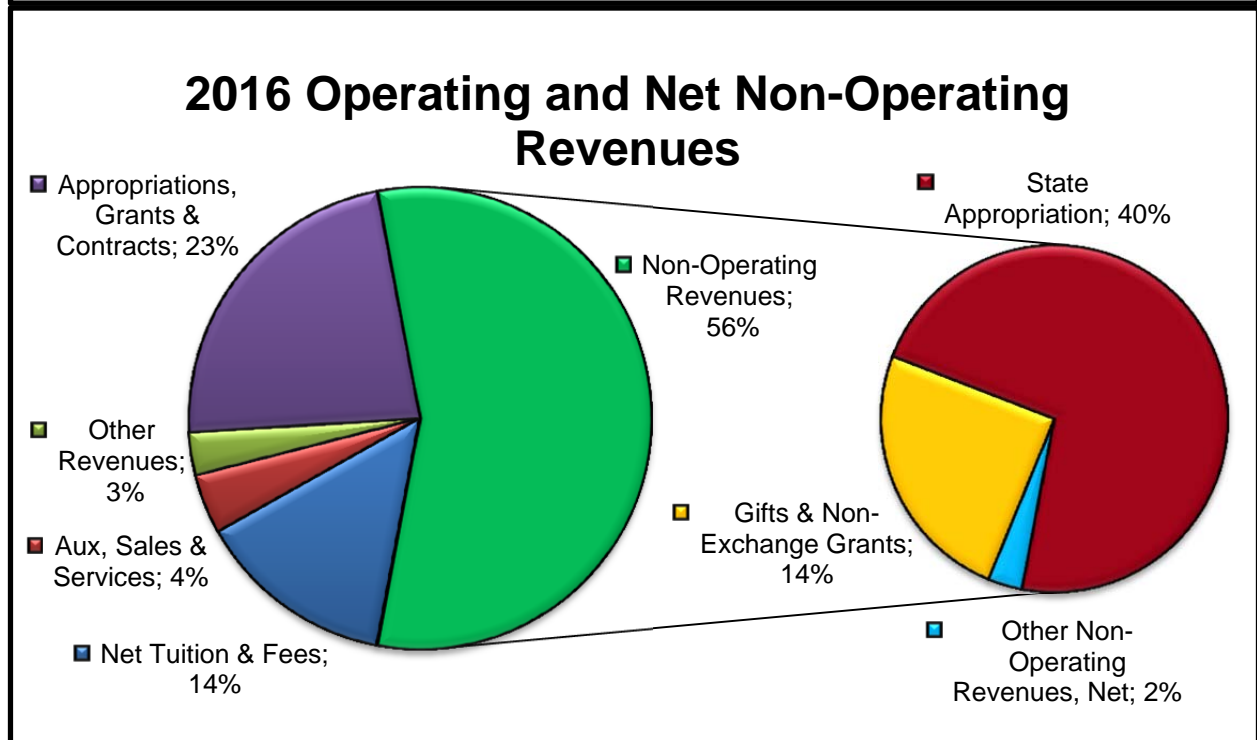
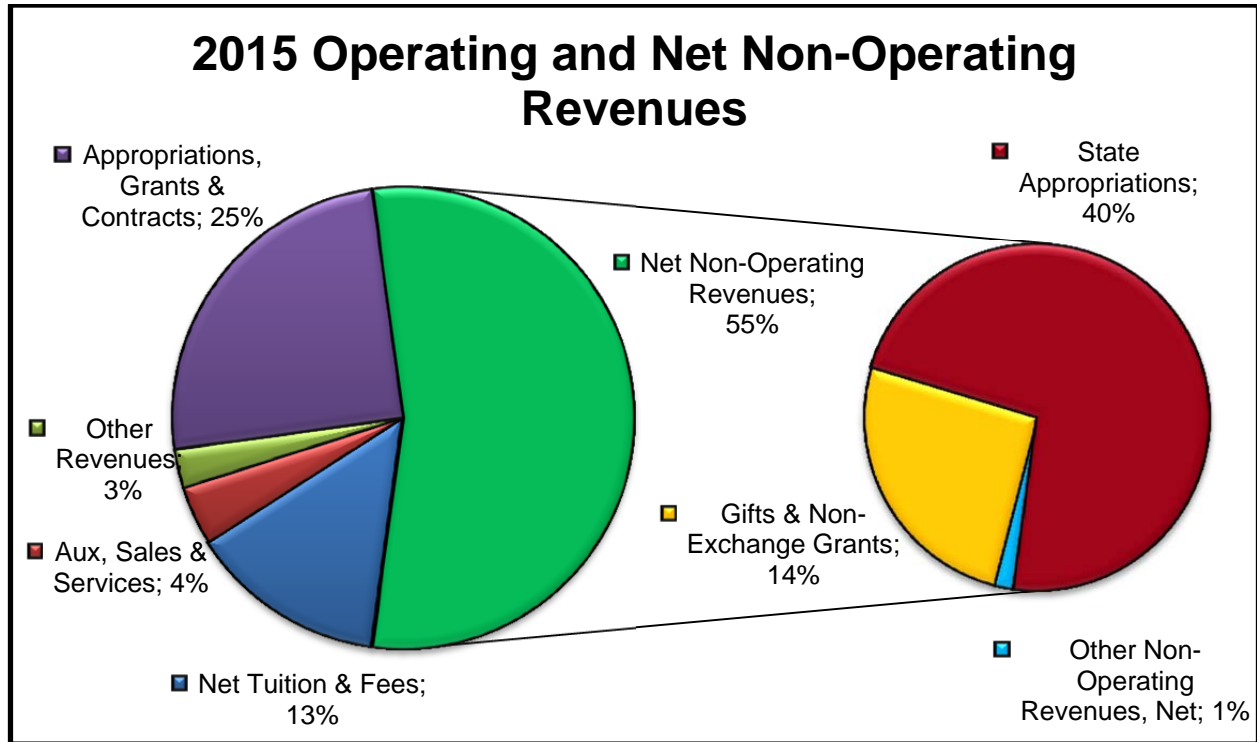
- ✚ Increase in operation and maintenance of plant expense of \$12.0 million which was due primarily to increased expenditures on the Las Cruces campus related to the Guaranteed Utility Savings Contract entered into with Ameresco.
- ✚ This increase was offset, in part, by the reduction of Scholarships 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.

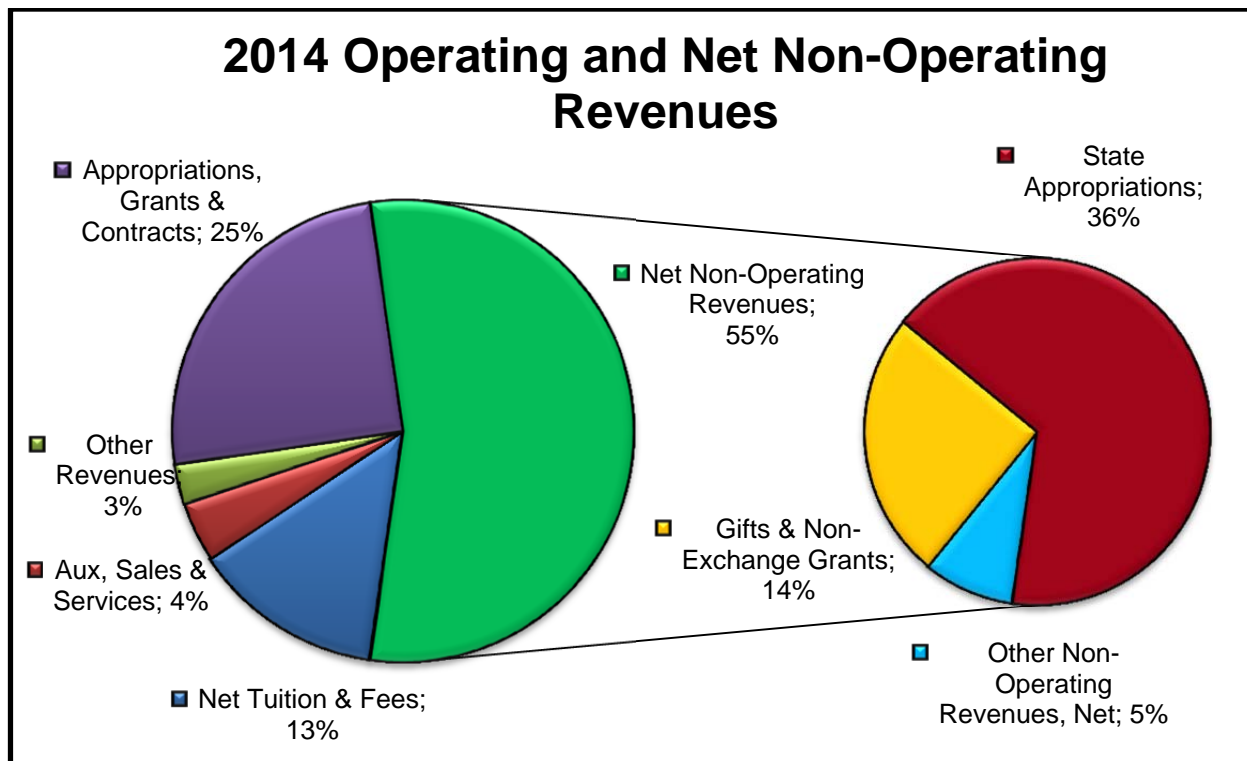
The following graph illustrates a comparison of operating expense (in millions) by function, excluding depreciation and loan administration, for fiscal years 2016, 2015 and 2014.



The Statement of Revenues, Expenses, and Changes in Net Position reflects a net loss before other revenues of \$24.0 million, \$34.7 million and \$6.5 million in fiscal years 2016, 2015 and 2014, respectively.

The following graphs reflect the University's sources of revenue available to meet current operating costs for fiscal years 2016, 2015 and 2014.





Capital Asset and Debt Administration

During fiscal year 2016, net capital assets decreased slightly (.2%). While several capital projects were capitalized during the year, the recording of annual depreciation expense and retirements resulted in a slight overall net decrease. The projects which primarily increased capital assets included current period expenditures for construction at Jett Hall (\$8.5 million), the Hardman and Jacobs Undergraduate Learning Center (\$5.2 million) and the renovation of the Corbett Center Student Union (\$1.7 million). In addition to construction costs there were increases in capital assets related to capital equipment purchases (\$6.3 million) and capital library purchases (\$3.4 million), which were offset by equipment, library, and software retirements of (\$6.3 million), and net accumulated depreciation of (\$29.5 million).

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 2016, there was a net increase of approximately \$17.0 million, and an increase of approximately \$8.7 million in revised budgeted expenditures. The most significant changes to the revenue budget were increases in other sources of revenue, primarily related to capital outlay budgeted revenues which were increased to account for revenue Note project revenues recognized during fiscal year 2016. The increases were partially offset by decreases in tuition and fees revenue which was adjusted due to the enrollment decline and a reduction in federal funding for the Pell grant program which also correlates to the enrollment decline. The increase in budgeted expenditures relates primarily to restricted expenditures in research and public service budgets, and the capital outlay budget which was increased to allow sufficient expenditure authority for capital projects in process or approaching completion. The increases were partially offset by a decrease in the Pell grant program expenditures, as discussed above.

Actual revenues earned in fiscal year 2016 were lower than the revised budget by \$22.0 million and actual expenditures were lower than the revised budget by \$53.2 million. The main contributors to the revenue budget variance were federal revenue and other sources (84% of the variance) and the main contributors to the expense budget variance were in the instruction, research, public service, student financial aid, and capital outlay categories (69% of the variance). Because the University budgets capital projects in their entirety, multi-year projects may result in mismatches of budget to actual revenues and expenses in any one year. Total operating expenditures were less than revenues, resulting in an increase in the overall fund balance of \$34.3 million. The primary source of this increase is in the capital outlay area (85% of the change) and reflects the timing difference between the actual revenues and expenses as discussed above.

Factors Impacting Future Periods

The New Mexico governor called a special legislative session at the end of September 2016 to address state budget issues for fiscal years 2016 and 2017 and consider legislation related to criminal sentencing. The governor had until October 26, 2016 to take action on the bills passed by the House and Senate during the seven day special session. These bills are specific to the budgetary issues and include a cut to higher education in the amount of five percent for fiscal year 2017. Through on-going budget strategies, the University has identified funds to cover the revenue reduction for fiscal year 2017 from a combination of one-time and recurring funding. Planning for the permanent budget adjustment is underway.

The NMSU system experienced a student enrollment decline of 2.5 percent for Fall 2016. The University continues to employ several initiatives focused on recruitment and retention to help reverse this trend. On a positive note, student enrollment for Fall 2016 reflects improvement in first time freshmen, which increased by 1.7% from Fall 2015.

The University is also working through the issues associated with implementation of the new rules from the U.S. Department of Labor regarding the Fair Labor Standards Act, or FLSA. The change which becomes effective December 1, 2016, will affect approximately 650 employees within the University system. The financial impact of the change is being evaluated and will be incorporated into budget adjustment plans for fiscal year 2017.

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 2017, 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

Statements of Net Position

As of June 30, 2016

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 14,491,001	\$ 9,854,255
Restricted cash and cash equivalents	12,918,988	-
Cash and cash equivalents held in trust by component unit for NMSU	5,826,453	5,826,453
Cash and cash equivalents held in trust by others	6,926,583	-
Short-term investments	2,755,578	210,374
Accounts receivable, net	55,906,545	7,169,695
Due from component unit	2,031,831	-
Inventories	2,579,496	-
Prepaid expenses	5,163,108	106,349
Student loans receivable - current portion, net	1,260,852	-
Total current assets	109,860,435	23,167,126
Non-current assets		
Unrestricted cash and cash equivalents	33,250,464	-
Restricted cash and cash equivalents	10,655,992	10,993,881
Investments held by others	62,460,343	2,832,745
Investments held in trust by component unit for NMSU	36,344,701	36,344,701
Investments held in trust for others	-	356,899
Other long-term investments	72,716,885	105,248,871
Student loans receivable, net	11,347,665	-
Prepaid expenses and other assets	7,328	186,614
Capital assets, net	504,968,368	142,902
Total non-current assets	731,751,746	156,106,613
TOTAL ASSETS	841,612,181	179,273,739
DEFERRED OUTFLOWS OF RESOURCES	45,436,747	-
LIABILITIES		
Current liabilities		
Accounts payable	15,736,285	13,116
Due to NMSU	-	2,031,831
Other accrued liabilities	17,997,480	-
Accrued interest payable	2,014,950	-
Held in trust for NMSU	-	5,826,453
Unearned revenue	9,294,915	494,307
Held in trust by NMSU	7,498,035	-
Long-term liabilities - current portion	12,687,577	208,792
Total current liabilities	65,229,242	8,574,499
Non-current liabilities		
Accrued benefit reserves	659,630	-
Held in trust for NMSU	-	36,344,701
Other long-term liabilities	165,726,950	2,739,732
Net pension liability	473,733,007	-
Total non-current liabilities	640,119,587	39,084,433
TOTAL LIABILITIES	705,348,829	47,658,932
DEFERRED INFLOWS OF RESOURCES	22,874,120	-
NET POSITION		
Net investment in capital assets	390,726,152	142,902
Restricted for:		
Non-expendable:		
Endowments	90,576,385	88,740,173
Expendable:		
Endowments	1,838,724	21,013,971
General activities	5,701,685	21,449,802
Federal student loans	17,753,365	-
Capital projects	18,051,147	-
Related entity activities	686,657	-
Unrestricted	(366,508,136)	267,959
TOTAL NET POSITION	\$ 158,825,979	\$ 131,614,807

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

New Mexico State University

Statements of Net Position

As of June 30, 2015

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 18,353,661	\$ 12,429,795
Restricted cash and cash equivalents	11,575,956	-
Cash and cash equivalents held in trust by component unit for NMSU	2,111,903	2,111,903
Short-term investments	3,251,897	287,490
Accounts receivable, net	50,959,278	5,528,228
Due from component unit	1,692,297	-
Inventories	2,603,446	-
Prepaid expenses	4,747,338	93,869
Student loans receivable - current portion, net	1,417,984	-
Total current assets	96,713,760	20,451,285
Non-current assets		
Unrestricted cash and cash equivalents	30,971,411	-
Restricted cash and cash equivalents	13,143,323	1,351,466
Investments held by others	64,836,899	2,773,539
Investments held in trust by component unit for NMSU	41,875,229	41,875,229
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	186,369
Capital assets, net	506,109,018	233,879
Total non-current assets	734,017,363	161,679,837
TOTAL ASSETS	830,731,123	182,131,122
DEFERRED OUTFLOWS OF RESOURCES	32,880,844	-
LIABILITIES		
Current liabilities		
Accounts payable	15,073,306	479,450
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	15,974,309	525,460
Held in trust by NMSU	5,953,493	-
Long-term liabilities - current portion	14,956,154	180,247
Total current liabilities	71,663,847	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	677,550,083	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
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 111,641,792	\$ -
Less: scholarship allowances	(40,347,585)	-
Student tuition and fees (net)	71,294,207	-
Federal appropriations, grants and contracts	90,637,831	-
State grants and contracts	14,590,177	-
Local appropriations, grants and contracts	2,784,153	-
Non-governmental grants, contracts, and gifts	10,087,186	9,279,881
Sales and services	6,269,111	355,879
Auxiliary enterprises (net of scholarship allowances)	15,191,890	-
Other operating revenues	15,538,726	-
Total operating revenues	226,393,281	9,635,760
EXPENSES		
Operating expenses:		
Instruction	151,325,381	-
Research	92,090,234	-
Public service	49,141,698	-
Academic support	29,133,346	-
Student services	16,851,902	-
Institutional support	32,780,883	-
Operation and maintenance of plant	41,135,221	-
Scholarships and fellowships	29,997,863	-
Auxiliary enterprises	21,475,142	-
Independent operations	17,322,820	-
Intercollegiate athletics	18,640,460	-
Student social and cultural	4,115,692	-
Loan administration (net)	(347,703)	-
Depreciation	35,546,359	103,103
Other operating expenses	-	13,406,454
Total operating expenses	539,209,298	13,509,557
Net operating income (loss)	(312,816,017)	(3,873,797)
Non-operating revenues (expenses):		
State appropriations	207,568,589	-
Federal Pell grants	40,989,904	-
State lottery scholarship	16,197,814	-
Local tax levy revenue	12,465,269	-
Gifts and non-exchange grants	13,826,990	-
Investment income (loss)	(707,953)	(4,821,000)
Building fees	3,964,856	-
Loss on disposal of plant	(305,658)	-
Additions to quasi endowments	156,213	-
Interest and other expenses on capital asset-related debt	(5,218,715)	-
Other non-operating revenues (expenses)	(130,419)	(275,168)
Net non-operating revenues	288,806,890	(5,096,168)
Income (loss) before other revenues	(24,009,127)	(8,969,965)
Capital appropriations	36,412,972	-
Capital grants, gifts and other income	3,347,485	-
Additions to permanent endowments	2,889,958	8,016,376
Increase (decrease) in net position	18,641,288	(953,589)
NET POSITION		
Beginning of year	140,184,691	132,568,396
End of year	\$ 158,825,979	\$ 131,614,807

New Mexico State University
Statements 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, contracts, and gifts	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
Income (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
Increase (decrease) 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

New Mexico State University

Statement of Cash Flows

For the Year Ended June 30, 2016

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 71,404,428
Grants and contracts received	109,859,440
Payments to suppliers	(110,879,261)
Payments for travel	(13,450,096)
Payments to employees and for employee benefits	(336,334,147)
Disbursement of net aid to students	(32,602,883)
Receipts from sales, services, and auxiliary enterprises	17,964,026
Other operating revenues	16,743,734
Net cash used by operating activities	(277,294,759)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	207,568,589
Gifts and grants for other than capital purposes	71,014,708
Tax levy revenue	12,465,269
Private gifts for endowment	3,592,353
Other non-operating revenue (expense)	(130,419)
Net cash provided by non-capital financing activities	294,510,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt and leases	75,627
Proceeds held by NM Finance Authority - general obligation bonds	6,926,583
Capital gifts, grants and contracts	32,833,874
Purchases/construction/renovation of capital assets	(34,711,367)
Principal paid on capital debt and leases	(12,135,910)
Interest and fees paid on capital debt and leases	(4,999,355)
Building fees received from students	3,964,856
Net cash used by capital and related financing activities	(8,045,692)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	62,835,000
Proceeds held in trust by NMSU Foundation	2,320,156
Interest on investments	2,542,664
Purchase of investments	(70,358,536)
Realized gain on investments	9,500
Net cash used by investing activities	(2,651,216)
Net increase in cash and cash equivalents	6,518,833
Cash and cash equivalents - beginning of year	77,550,648
Cash and cash equivalents - end of year	\$ 84,069,481
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (312,816,017)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	35,546,359
Change in assets and liabilities:	
Increase in accounts receivable	(5,286,801)
Increase in prepaid expenses	(415,770)
Decrease in inventory	23,950
Decrease in loans receivable	1,571,325
Increase in accounts payable and other accrued liabilities	2,455,027
Decrease in unearned revenue	(6,679,394)
Increase in held in trust by NMSU	1,544,542
Increase in deferred inflow and outflow of resources related to pensions	6,762,020
Net cash used by operating activities	\$ (277,294,759)

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, services, and auxiliary enterprises	23,342,669
Other operating revenues	14,819,151
Net cash provided 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 provided by capital and related financing activities	(33,581,505)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	92,267,999
Proceeds held in trust by NMSU Foundation	(161,042)
Interest on investments	3,086,963
Purchase of investments	(75,812,334)
Realized loss on investments	(122,903)
Net cash provided by investing activities	19,258,683
Net increase in cash and cash equivalents	24,595
Cash and cash equivalents - beginning of year	76,131,659
Cash and cash equivalents - end of year	\$ 76,156,254
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	2,883,281
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	5,002,950
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. is a blended component unit that 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 and the American Institute of Certified Public Accountants' (AICPA) guide.

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 in accordance with GASB Statement No.72 (*Fair Value Measurement and Application*). 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, acquisition 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

As an institute of higher education in existence for over 100 years, New Mexico State University has acquired significant collections of art, rare books, historical treasures and other special collections. The purpose of these collections is for public exhibition, education or research in furtherance of public service rather than financial gain. They are protected and preserved, and subject to the Regents' policies regarding accessioning and de-accessioning. However, because of their invaluable and irreplaceable nature, these collections have not been capitalized and are therefore not presented in the accompanying Statement of Net Position.

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, other accrued liabilities and accrued interest payable. Other accrued liabilities include accrued current payroll and fringe benefits and current portion of unclaimed property. 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 long-term debt and unearned revenue. Unearned revenue represents revenue collected but not earned as of June 30, 2016 and 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, 2016 and 2015.

Non-Current Liabilities. Non-current liabilities, within other long-term liabilities, includes principal amounts of revenue bonds payable, contracts payable, the non-current portion of accrued compensated absences and unclaimed property, and other liabilities. Also included is pension liability.

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.

- *Annual leave:* Until June 30, 2016, regular full-time exempt and non-exempt employees earned annual leave at a rate of 22 working days per year. Effective July 1, 2016 the maximum annual leave that can be earned by employees changed to 20 days per year. Annual leave accrual will be based on the employee's period of continuous service of employment at the University. 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.
- *Sick leave:* Regular full-time exempt and non-exempt employees earn sick leave at a rate of 12 working days per year. Employees may carry forward up to 100 days (800 hours) of sick leave. Prior to July 1, 2016, employees were paid for earned sick leave over 600 hours (not to exceed 200 hours) upon termination. Effective July 1, 2016, the sick leave payout benefit upon termination was discontinued; however, employees with sick leave balances of greater than 600 hours on that date will receive a grandfathered benefit. Upon termination, they will be paid for the number hours over 600 (not to exceed 200 hours) that they had on July 1, 2016 or the number that they have upon termination, whichever is less. The sick leave payment is made at a rate of 50 percent of the employee's straight-time hourly salary.
- *Faculty care leave:* 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 represents 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. A pro rata share of the discounts and allowances are allocated to Auxiliary Enterprises.

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

The legal level of budgetary control is at the fund type and functional level, in accordance with NMAC 5.3.4.10. There were no violations in fiscal years 2016 and 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, 2016 and 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.

Reclassifications. Certain amounts in the 2015 financial statements and notes thereto have been reclassified to conform to 2016 financial statement presentation.

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

Changes in Accounting Policies and Statements

The University adopted GASB Statement No. 72, Fair Value Measurement and Application. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes. The Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

During the year ended June 30, 2016, the University adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments (GASB 76) that supersedes GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 identifies the hierarchy of general accepted accounting principles for state and local governments. This implementation did not have significant impact on the University financial statements.

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	
	Total Net Position
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	
	Total Net Position
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, 2016 and 2015, the University owned 333,831 and 337,935 shares which represented 26.44% and 27.12% of the total shares in the pool, respectively. The fair value per share as of June 30, 2016 and 2015 was \$119.79 and \$124.49, respectively.

Cash. The University's deposits are in demand and time deposit accounts at local financial institutions. The University requires a minimum of 50 percent collateralization of all uninsured funds deposited with a financial institution, with the exception of overnight repurchase agreements, which require 102 percent collateralization. All collateral is held in third-party safekeeping in the name of the University. The majority of the total deposits were invested in interest bearing accounts at June 30, 2016 and 2015.

For cash flow purposes the net change in cash does not include cash and cash equivalents held in trust by the component unit and others.

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 46-9A-1 through 46-9A-10 NMSA 1978, existing bond covenants, or other externally placed restrictions. At June 30, 2016 and 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, U.S. treasury notes, municipal securities, brokered negotiable certificates of deposit with an original maturity of two to five years, and corporate stocks and bonds at June 30, 2016 and 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, 2016 and 2015.

Endowment investments were \$98,805,044 and \$106,712,128 at June 30, 2016 and 2015, respectively, and represent longer term investments in debt and equity securities, including, but not limited to, pooled or common trust funds holding such types of securities, subject to any specific limitation set forth in the applicable gift instrument.

At June 30, 2016 and 2015, the investments of the University and its Discrete Component Unit consisted of the following:

	2016 Fair Value	2015 Fair Value
University		
U.S. Agency and Treasury Securities	\$ 67,937,700	\$ 59,877,807
Municipal Securities	251,322	1,252,753
Certificates of Deposit	6,820,427	6,000,000
Domestic Equity Securities	463,014	432,132
Land Grant Permanent Fund	62,460,343	64,836,899
Pooled Investments Held by Others		
U.S. Agency Securities	779,212	2,017,539
Mortgage Backed Securities	2,646,877	4,183,387
Domestic Equity Securities	17,719,264	15,227,733
Domestic Corporate Bonds	825,017	2,611,264
Foreign Equity Securities	5,198,213	7,514,695
Limited Partnerships	9,032,006	9,601,177
Land and Building	144,112	173,710
Mutual Funds	-	545,724
Total Investments	<u>\$ 174,277,507</u>	<u>\$ 174,274,820</u>
Foundation		
U.S. Government and Agency Securities	\$ 2,104,766	\$ 5,305,761
Mutual Funds	16,980,598	5,001,442
Corporate Bonds	4,280,130	-
Equity Securities	49,194,033	67,287,482
Alternative Investments	24,936,950	25,606,662
Mortgage Backed Securities	7,307,903	11,157,054
Other Investments	654,865	825,858
Total Investments	<u>\$ 105,459,245</u>	<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, 2016 and 2015.

	2016	2015
Equities	76%	77%
Fixed income	7%	13%
Cash and cash equivalents	16%	9%
Investments not securities	1%	1%
	<u>100%</u>	<u>100%</u>

Collateralization of Deposits. At June 30, 2016 and 2015, the recorded values of the University's cash and time deposits with financial institutions were \$58,313,760 and \$61,964,164 respectively. Bank balances, which differ from the reported values due to reconciling items, are categorized and presented in the following table:

	2016	2015
University		
Amount insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 803,678	\$ 571,776
Amount collateralized with securities held by the pledging financial institution	<u>60,536,174</u>	<u>64,184,741</u>
Total cash and time deposit bank balances	61,339,852	64,756,517
Reconciling Items:		
Add: cash equivalents	13,002,685	12,080,188
Add: cash equivalents held by others	12,753,036	2,111,903
Less: other reconciling items	<u>(3,026,092)</u>	<u>(2,792,354)</u>
Total reported cash balance	<u>\$ 84,069,481</u>	<u>\$ 76,156,254</u>
Foundation		
Amount insured by the FDIC	\$ 601,506	\$ 366,231
Amount in excess of FDIC coverage	4,602,417	4,673,727
Amount at Merrill Lynch insured by Security Investor Protection Corporation (SIPC) and the FDIC	<u>15,644,213</u>	<u>8,741,303</u>
Total reported cash balance	<u>\$ 20,848,136</u>	<u>\$ 13,781,261</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2016:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
First National Bank of Alamogordo				
Operational	Checking	\$ 64,442	\$ (100)	\$ 64,342
Operational	Debt Service	567,372	-	567,372
Grants State Bank				
Operational	Checking	8,116	(1,713)	6,403
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(2,901,445)	(2,901,445)
Operational	Student ACH	-	5,839	5,839
Operational	General	-	38,347	38,347
Operational	Payroll	-	(269,158)	(269,158)
Operational	Credit Card	-	55,397	55,397
Operational	Debt Service	5,282,378	-	5,282,378
Operational	Deposit	-	3,360	3,360
Project Funds	Savings-2014 Note	145,383	-	145,383
Operational	Savings	38,237,696	-	38,237,696
Operational	Cash Management	16,988,903	-	16,988,903
Operational	Money Market	2,851,380	-	2,851,380
Wells Fargo Advisors				
Operational	Money Market	16	-	16
Western Commerce Bank of Carlsbad				
Operational	Checking	6,144	(1,199)	4,945
Operational	Deposit	8,309	2,473	10,782
Cash on Hand				
Cash on Hand	Cash	-	42,107	42,107
Citizen's Bank of Las Cruces				
Certificate of Deposit	Time Deposit	31,110	-	31,110
New Mexico Finance Authority				
General Obligation Bond Proceeds	Money Market	6,926,583	-	6,926,583
Federated Investment Manager				
Dividend Reinvestment	Money Market	10,151,288	-	10,151,288
New Mexico State University Foundation, Inc.				
NMSU Endowments	Cash	5,826,453	-	5,826,453
Total Cash and Cash Equivalents		\$ 87,095,573	\$ (3,026,092)	\$ 84,069,481

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
Citizen's Bank of Las Cruces				
Certificate of Deposit	Time Deposit	31,100	-	31,100
Federated Investment Manager				
Dividend Reinvestment	Money Market	1,904,588	-	1,904,588
New Mexico State University Foundation, Inc.				
NMSU Endowments	Cash	2,111,903	-	2,111,903
Total Cash and Cash Equivalents		<u>\$ 78,948,607</u>	<u>\$ (2,792,353)</u>	<u>\$ 76,156,254</u>

The following table provides information on the University's investments, including reconciling items, at June 30, 2016.

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
FTN Financial				
U.S. Agency Securities	Investment	23,981,022	-	23,981,022
Wells Fargo Advisors				
Domestic Equity Securities	Investment	216,948	-	216,948
Raymond James				
U.S. Agency Securities	Investment	23,010,150	-	23,010,150
Wells Fargo				
Certificate of Deposit	Investment	6,820,427	-	6,820,427
Wells Fargo				
Municipal Securities	Investment	251,323	-	251,323
Wells Fargo				
U.S. Agency Securities	Investment	20,881,000	-	20,881,000
Forensic Testing and Laboratory				
Domestic Equity Securities	Investment	32,427	-	32,427
Eberhardt Memorial				
Domestic Equity Securities	Investment	2,495	-	2,495
Principal Funds				
Domestic Equity Securities	Investment	177,066	-	177,066
Franklin Templeton				
Domestic Equity Securities	Investment	34,078	-	34,078
Legacy Treasury Direct				
U.S. Agency Securities	Investment	65,527	-	65,527
New Mexico State Investment Council				
Permanent Land Fund	Investment	62,460,343	-	62,460,343
New Mexico State University Foundation, Inc.				
NMSU Endowments	Investment	36,344,701	-	36,344,701
Total investments		\$ 174,277,507	\$ -	\$ 174,277,507

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				
Domestic Equity Securities	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				
Domestic Equity Securities	Investment	32,427	-	32,427
Eberhardt Memorial				
Domestic Equity Securities	Investment	2,495	-	2,495
Principal Funds				
Domestic Equity Securities	Investment	173,920	-	173,920
Franklin Templeton				
Domestic Equity Securities	Investment	36,423	-	36,423
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	41,875,229	-	41,875,229
Total investments		<u>\$ 174,274,820</u>	<u>\$ -</u>	<u>\$ 174,274,820</u>

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2016, is provided below:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operations	Checking	\$ 162,948	\$ (416)	\$ 162,532
Program	ACH	28,048	-	28,048
Program	Checking	3,831,961	1,436	3,833,397
Program	Transfer	76,605	-	76,605
Citizens Bank of Las Cruces				
Program	Certificate of Deposit	1,001,835	-	1,001,835
Merrill Lynch				
Operations	Checking	1,386,307	-	1,386,307
Program	Money Market	5,031,184	-	5,031,184
Program-Cash Gift Annuity	Checking & Money Market	105,781	(9,623)	96,158
Program-Private Equity	Checking & Money Market	76,913	-	76,913
Time Deposit - Non-Negotiable	Certificate of Deposit	101,506	-	101,506
Less Cash Allocated to NMSU for AHIT (Program)	Held in Trust	(1,838,724)	-	(1,838,724)
Investment cash - Merrill Lynch Managers:				
Hedge Access	Money Market	66	-	66
Eagle TMA	Money Market	860,933	-	860,933
Cambiar Intl Value	Money Market	266,440	-	266,440
Earnest SCV	Money Market	119,988	-	119,988
NWQ	Money Market	234,513	-	234,513
APEX	Money Market	294,522	-	294,522
Futures Access	Money Market	124	-	124
Invesco	Money Market	656,048	-	656,048
Short Term Investment Fund	Money Market	4,612,894	-	4,612,894
NFJ Allianz	Money Market	9,090	-	9,090
Eagle LCV	Money Market	225,130	-	225,130
Armstrong	Money Market	6,122,287	-	6,122,287
Western	Money Market	822,403	-	822,403
Title V	Money Market	57,872	-	57,872
ALTA	Money Market	47,868	-	47,868
Cohen and Steers	Money Market	283,920	-	283,920
ALT Investments	Money Market	4,782	-	4,782
Santa Barbara	Money Market	176,333	-	176,333
Loomis - TMA	Money Market	77,663	-	77,663
NMSU Business College	Money Market	7,228	-	7,228
Less Cash Allocated to NMSU for AHIT	Held in Trust	(3,987,729)	-	(3,987,729)
Total Cash and Cash Equivalents		\$ 20,856,739	\$ (8,603)	\$ 20,848,136
Corporate Bonds	Investment	\$ 4,280,130	-	\$ 4,280,130
Equity Securities	Investment	49,194,033	-	49,194,033
U.S. Government and Agency Securities	Investment	2,104,766	-	2,104,766
Mortgage Backed Securities	Investment	4,776,568	-	4,776,568
Mortgage Backed Securities - Foreign	Investment	2,531,335	-	2,531,335
Limited Partnerships - Alternative	Investment	24,936,950	-	24,936,950
Mutual Funds	Investment	16,980,598	-	16,980,598
Real Estate Holdings				
Real Estate Holdings	Investment	397,888	-	397,888
Short-term Investments	Investment	210,374	-	210,374
Accrued Investment Interest	Investment	46,603	-	46,603
Total Investments		\$ 105,459,245	\$ -	\$ 105,459,245

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	Money Market	-	-	-
Earnest - TMA	Money Market	211,822	-	211,822
Global Templeton	Money Market	-	-	-
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
Equity Securities	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				
Real 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, 2016, 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					
U.S. Agency Securities	\$ 67,872,173	\$ -	\$ 67,872,173	\$ -	\$ -
Municipal Securities	251,322	251,322	-	-	-
U.S. Treasury Securities	65,527	-	65,527	-	-
Certificate of Deposit	6,820,427	2,504,255	4,316,172	-	-
Pooled Investments					
US Government and Agency Securities	779,212	-	427,126	-	352,086
Mortgage-backed Securities	2,646,877	-	2,646,877	-	-
Domestic Corporate Bonds	825,017	82,245	173,125	263,119	306,528
	<u>79,260,555</u>	<u>\$ 2,837,822</u>	<u>\$ 75,501,000</u>	<u>\$ 263,119</u>	<u>\$ 658,614</u>
Items not subject to interest rate risk:					
Permanent Land Fund	62,460,343				
Equity Securities	463,014				
Pooled Investments					
Domestic Equity Securities	17,719,264				
Foreign Equity Securities	5,198,213				
Limited Partnerships	9,032,006				
Land and Building (Investments not securities)	144,112				
Total investments	<u>\$ 174,277,507</u>				
Foundation					
U.S. government and agency securities	\$ 2,104,766	\$ -	\$ 1,124,427	\$ -	\$ 980,339
Mortgage-backed securities	7,307,903	-	7,307,903	-	-
		<u>\$ -</u>	<u>\$ 8,432,330</u>	<u>\$ -</u>	<u>\$ 980,339</u>
Items not subject to interest rate risk:					
Mutual Funds	16,980,598				
Corporate Bonds	4,280,130				
Equity Securities	49,194,033				
Alternative investments	24,936,950				
Other investments	654,865				
Total investments	<u>\$ 105,459,245</u>				

A summary of the investments at June 30, 2015, and their exposure to interest rate risk based on the length of the investment follows:

University	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
Certificates of Deposits	\$ 6,000,000	\$ 2,250,000	\$ 3,750,000	\$ -	\$ -
Agency Securities	59,877,807	-	59,877,807	-	-
Municipal Securities	1,252,753	1,001,910	250,843	-	-
US Government Securities	-	-	-	-	-
Pooled Cash and Investments					
US Government & Agency Securities	2,017,539	200,817	1,269,779	546,943	-
Mortgage-backed Securities	4,183,387	-	4,183,387	-	-
Domestic Corporate Bonds	2,611,264	-	2,611,264	-	-
	<u>75,942,750</u>	<u>\$ 3,452,727</u>	<u>\$ 71,943,080</u>	<u>\$ 546,943</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Permanent Land Fund	64,836,899				
Domestic Equity Securities	432,132				
Pooled Cash and Investments					
Limited Partnerships	9,601,177				
Domestic Equity Securities	15,227,733				
Foreign Equity Securities	7,514,695				
(Investments not securities)	173,710				
Mutual Funds	545,724				
Total Investments	<u>\$ 174,274,820</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	-	-
		<u>\$ 460,508</u>	<u>\$ 14,543,597</u>	<u>\$ 1,458,710</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Mutual Funds	5,001,442				
Equity Securities	67,287,482				
Alternative investments	25,606,662				
Other Investments	825,858				
Total Investments	<u>\$ 115,184,259</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, 2016, and their exposure to credit risk follows:

	Rating	Fair Value
University		
US Agency Securities	S&P/Moody's - AA+/Aaa	\$ 67,872,173
Municipal Securities	Moody's--A1	251,322
Certificates of Deposits	Federally Insured	6,750,000
Certificates of Deposits	Subject to custodial credit risk	70,427
US Treasury Securities	N/A	65,527
Domestic Equity Securities	Not Rated	463,014
Land Grant Permanent Fund	N/A	62,460,343
Pooled Investments		
US Government and Agency Securities	Aaa	779,212
Mortgage-backed Securities	AAA	2,646,877
Domestic Equity Securities	N/A	17,719,264
Domestic Corporate Bonds	Aaa	825,017
Foreign Equity Securities	N/A	5,198,213
Limited Partnerships	N/A	9,032,006
Land and Building (Investments not securities)	N/A	144,112
Total Investments		\$ 174,277,507
Foundation		
U.S. Government and Agency Securities	Moody's---Aaa	\$ 1,625,432
Corporate Bonds	A1	193,608
Corporate Bonds	A2	346,758
Corporate Bonds	A3	921,234
Corporate Bonds	BAA1	558,167
Corporate Bonds	BAA2	257,978
Equity Securities	Not rated	37,323,727
Mutual funds	Not rated	16,980,598
Foreign Equity Securities	Not rated	14,352,025
Mortgage-backed Securities	AAA	7,307,903
Alternative Investments	Not rated	24,936,950
Other Investments (Real Estate and Accrued Investment Interest)	N/A	654,865
Total Investments		\$ 105,459,245

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	6,000,000
Equity Securities	Not Rated	432,132
Land Grant Permanent Fund	N/A	64,836,899
Pooled Cash and Investments		
US Government & Agency Securities	Aaa	2,017,539
Mortgage-backed Securities	AAA	4,183,387
Domestic Equity Securities	N/A	15,227,733
Domestic corporate bonds	Aaa	2,611,264
Foreign Equity Securities	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><u>\$ 174,274,820</u></u>
Foundation		
U.S. government and agency securities	Moody's---Aaa	\$ 2,693,533
Certificates of deposits	Federally insured	
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 Equity Securities	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><u>\$ 115,184,259</u></u>

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

2016 and 2015, total bank balances of the University were \$74,342,537 and \$76,836,705, respectively. 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.

Fair Value of Assets and Liabilities. GASB Statement No.72 (*Fair Value Measurement and Application*) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities.

Level 2

If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include governmental and corporate bonds, foreign obligations, and collateralized mortgage backed securities.

Level 3

Investments classified within Level 3 have significant unobservable inputs. The valuation of these funds is determined by unobservable inputs such as recent purchases and sales, underlying fund holdings, and information provided by fund managers and general partners including: audited financials, unaudited financial statements, and net asset valuations.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers but the Foundation considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimate for each investment.

In certain cases, both observable and unobservable inputs may be used to determine the fair value of investments and, in such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The degree of judgment exercised in determining fair value is greatest for investments in Level 3. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. The University has no investments classified as Level 3.

The following is a description of the valuation methodologies used for assets measured at fair value.

Government Securities and Corporate Bonds are valued at the closing price reported on the major market on which the individual securities are traded or have reported broker trades which may be considered indicative of an active market. Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. If quoted prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, discounted cash flows and other observable inputs. Such securities would be classified within Level 2 of the valuation hierarchy.

Equity Securities are valued at the closing price reported on the active market on which the individual securities are traded.

The following table presents the fair value measurements of University assets recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2016.

2016	Balance as of June 30, 2016	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U.S. Treasury securities	\$ 65,526	\$ 65,526	\$ -	\$ -
Agency securities (GSEs)	67,872,173	-	67,872,173	-
Municipal securities	251,323	-	251,323	-
Certificate of Deposit (NCD)	6,820,427	-	6,820,427	-
Total Debt Securities	<u>75,009,449</u>	<u>65,526</u>	<u>74,943,923</u>	<u>-</u>
Equity Securities				
Common	425,204	425,204	-	-
Preferred	37,810	37,810	-	-
Total Equity Securities	<u>463,014</u>	<u>463,014</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>75,472,463</u>	<u>\$ 528,540</u>	<u>\$ 74,943,923</u>	<u>\$ -</u>
Other University Investments				
Permanent Land Fund - State of New Mexico	<u>62,460,343</u>			
Investments held by Foundation				
Equity Securities	\$ 17,719,296	\$ 17,719,296	\$ -	\$ -
Foreign Equity Securities	6,115,047	6,115,047	-	-
Mortgage Backed Securities	1,318,211	-	1,318,211	-
Corporate Bonds	824,985	-	824,985	-
REITS - Mortgage Backed Securities	1,174,165	1,174,165	-	-
Total investments Held by Foundation by Fair Value Level	<u>27,151,704</u>	<u>\$ 25,008,508</u>	<u>\$ 2,143,196</u>	<u>\$ -</u>
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments				
Multi-Strategy	\$ 6,816,031	\$ -	Quarterly	45 Days
Equity Long/Short	1,723,268	-	Quarterly	45 Days
Emerging Markets/Managed Futures	29,072	-	Quarterly	45 Days
Total Hedge Fund Investments	<u>8,568,371</u>	<u>-</u>		
Domestic Venture Capital Investments				
Venture Capital	463,635	959,863		
Total Domestic Venture Capital Investments	<u>463,635</u>	<u>959,863</u>	None	None
Total Investments Held by Foundation measured by NAV	<u>9,032,006</u>	<u>\$ 959,863</u>		
Other Investments held by Foundation				
Accrued Interest Income	16,879			
Land and Buildings	144,112			
Total Investments	<u>\$ 174,277,507</u>			

The following table presents the fair value measurements of University assets recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2015.

2015	Balance as of June 30, 2015	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U.S. Treasury securities	\$ 64,603	\$ 64,603	\$ -	\$ -
Agency securities (GSEs)	59,813,205	-	59,813,205	-
Municipal securities	1,252,753	-	1,252,753	-
Certificate of Deposit (NCD)	6,000,000	-	6,000,000	-
Total Debt Securities	<u>67,130,561</u>	<u>64,603</u>	<u>67,065,958</u>	<u>-</u>
Equity Securities				
Common	397,051	397,051	-	-
Preferred	35,080	35,080	-	-
Total Equity Securities	<u>432,131</u>	<u>432,131</u>	<u>-</u>	<u>-</u>
Total University Investments by Fair Value Level	<u>67,562,692</u>	<u>\$ 496,734</u>	<u>\$ 67,065,958</u>	<u>\$ -</u>
Other University Investments				
Permanent Land Fund - State of New Mexico	<u>64,836,899</u>			
Investments held by Foundation				
Equity Securities	\$ 16,347,432	\$ 16,347,432	\$ -	\$ -
Foreign Equity Securities	6,940,786	6,940,786	-	-
Mortgage Backed Securities	2,268,367	-	2,268,367	-
Corporate Bonds	4,600,652	2,219,965	2,380,687	-
REITS - Mortgage Backed Securities	1,914,954	1,914,954	-	-
Total investments Held by Foundation by Fair Value Level	<u>32,072,191</u>	<u>\$ 27,423,137</u>	<u>\$ 4,649,054</u>	<u>\$ -</u>
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments				
Equity Long/Short	\$ 1,451,096	\$ -	Quarterly	45 Days
Global Opportunities	1,850,582	-	Quarterly	45 Days
Emerging Markets/Managed Futures	631,824	-	Quarterly	45 Days
Relative Value/Event Driven and Credit	3,046,239	-	Quarterly	45 Days
Total Hedge Fund Investments	<u>6,979,741</u>	<u>-</u>		
Domestic Venture Capital Investments				
Venture Capital	2,621,436	-	None	None
Total Domestic Venture Capital Investments	<u>2,621,436</u>	<u>-</u>		
Total	<u>9,601,177</u>	<u>\$ -</u>		
Other Investments held by Foundation				
Accrued Interest Income	28,151			
Land and Buildings	173,710			
Total Investments	<u>\$ 174,274,820</u>			

Note 4 – Accounts Receivable and Unearned Revenue

Accounts receivable consists of the following at June 30, 2016 and 2015:

	2016	2015
University		
Student tuition and fees	\$ 46,025,280	\$ 43,642,433
Federal, state, and private grants and contracts	34,395,832	30,962,312
Other	8,221,980	6,426,543
Due from Component Unit	2,031,831	1,692,297
Less: allowance for doubtful accounts	<u>(32,736,547)</u>	<u>(30,072,010)</u>
Net accounts receivable	<u>\$ 57,938,376</u>	<u>\$ 52,651,575</u>
Foundation		
Net miscellaneous accounts receivable	<u>\$ 7,169,695</u>	<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, 2016 and 2015:

	2016	2015
University		
Student tuition and fees	\$ 1,066,016	\$ 1,191,207
Federal, state, and private grants and contracts	7,499,974	12,352,639
Other	<u>728,925</u>	<u>2,430,463</u>
Total unearned revenue	<u>\$ 9,294,915</u>	<u>\$ 15,974,309</u>
Foundation		
Total unearned revenue	<u>\$ 494,307</u>	<u>\$ 525,460</u>

Note 5 – Capital Assets

Capital assets as detailed below are stated at cost, or if contributed, at acquisition 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.

Changes in capital asset balances for the year ended June 30, 2016, were as follows:

	Balance July 1 2015	Additions	Transfers	Retirements	Balance June 30 2016
University					
Capital assets not being depreciated:					
Land and land improvements	\$ 10,696,079	\$ -	\$ -	\$ -	\$ 10,696,079
Construction in progress	35,997,466	23,645,641	(42,691,933)	-	16,951,174
Total capital assets not being depreciated	<u>\$ 46,693,545</u>	<u>\$ 23,645,641</u>	<u>\$ (42,691,933)</u>	<u>\$ -</u>	<u>\$ 27,647,253</u>
Capital assets being depreciated:					
Buildings	\$ 697,528,475	\$ 1,193,770	\$ 39,686,305	\$ (41,309)	\$ 738,367,241
Infrastructure	77,142,757	72,675	3,005,628	-	80,221,060
Equipment	125,543,817	6,267,781	-	(5,995,979)	125,815,619
Software	14,810,865	184,957	-	(51,767)	14,944,055
Library books	79,509,070	3,346,543	-	(236,644)	82,618,969
Total other capital assets	<u>994,534,984</u>	<u>11,065,726</u>	<u>42,691,933</u>	<u>(6,325,699)</u>	<u>1,041,966,944</u>
Less accumulated depreciation for:					
Buildings	(328,839,169)	(20,673,734)	-	41,344	(349,471,559)
Infrastructure	(43,177,758)	(3,101,133)	-	-	(46,278,891)
Equipment	(95,262,816)	(7,042,734)	-	5,703,897	(96,601,653)
Software	(10,655,769)	(1,781,584)	-	38,156	(12,399,197)
Library books	(57,183,999)	(2,947,174)	-	236,644	(59,894,529)
Total accumulated depreciation	<u>(535,119,511)</u>	<u>(35,546,359)</u>	<u>-</u>	<u>6,020,041</u>	<u>(564,645,829)</u>
Capital assets being depreciated, net	<u>\$ 459,415,473</u>	<u>\$ (24,480,633)</u>	<u>\$ 42,691,933</u>	<u>\$ (305,658)</u>	<u>\$ 477,321,115</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 46,693,545	\$ 23,645,641	\$ (42,691,933)	\$ -	\$ 27,647,253
Other capital assets, at cost	994,534,984	11,065,726	42,691,933	(6,325,699)	1,041,966,944
Total cost of capital assets	1,041,228,529	34,711,367	-	(6,325,699)	1,069,614,197
Less: accumulated depreciation	(535,119,511)	(35,546,359)	-	6,020,041	(564,645,829)
Capital assets, net	<u>\$ 506,109,018</u>	<u>\$ (834,992)</u>	<u>\$ -</u>	<u>\$ (305,658)</u>	<u>\$ 504,968,368</u>
Foundation					
Capital assets	\$ 748,332	\$ 43,005	\$ -	\$ (49,925)	\$ 741,412
Less: accumulated depreciation	(514,453)	(103,103)	-	19,046	(598,510)
Capital assets, net	<u>\$ 233,879</u>	<u>\$ (60,098)</u>	<u>\$ -</u>	<u>\$ (30,879)</u>	<u>\$ 142,902</u>

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	1,003,206,342	47,004,232	-	(8,982,045)	1,041,228,529
Less: accumulated depreciation	(508,966,635)	(34,125,832)	-	7,972,956	(535,119,511)
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>

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, 2016, follows:

	Balance July 1 2015	Additions	Reductions	Balance June 30 2016	Current Portion (due in 2017)	
University						
Bonds and contracts payable:						
Revenue bonds payable	\$123,669,371	\$ -	\$ (9,593,641)	\$114,075,730	\$ 7,915,000	
Subordinate Revenue Note	15,865,000	-	(2,120,000)	13,745,000	760,000	
Contracts payable	1,348,394	75,627	(422,270)	1,001,751	402,590	
Total bonds and contracts	140,882,765	75,627	(12,135,911)	128,822,481	9,077,590	
Other liabilities:						
Accrued compensated absences	18,891,612	3,794,479	(4,636,156)	18,049,935	3,609,987	
Other post employment benefits	28,478,000	2,528,000	-	31,006,000	-	
Net Pension Liability	431,412,011	42,320,996	-	473,733,007	-	
Other	518,372	17,739	-	536,111	-	
Total other liabilities	479,299,995	48,661,214	(4,636,156)	523,325,053	3,609,987	
Total long-term liabilities	\$620,182,760	\$ 48,736,841	\$(16,772,067)	\$652,147,534	\$ 12,687,577	
	Balance July 1 2015	Additions	Reductions	Changes in Estimate	Balance June 30 2016	Current Portion (due in 2017)
Foundation						
Gift annuities payable	\$2,701,433	\$ 74,458	\$ (12,713)	\$ 17,782	\$ 2,780,960	\$ 179,267
Payable under unitrusts	176,954	-	-	(9,390)	167,564	29,525
Total long-term liabilities	\$2,878,387	\$ 74,458	\$ (12,713)	\$ 8,392	\$ 2,948,524	\$ 208,792

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

Bonds Payable. All outstanding University revenue bonds as of June 30, 2016 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 years 2016 and 2015 was \$5,198,572 and \$5,085,423, respectively, net of interest income. Of these amounts, \$444,254 and \$365,659 was capitalized during fiscal years 2016 and 2015, respectively.

Included in deferred inflows is \$216,413 in unamortized bond issuance costs.

Total University bonds issued and outstanding at June 30, 2016 and 2015, excluding bonds issued by the Community College Districts, (See Note 13), consisted of:

	Total Issued	Outstanding	
		2016	2015
Improvement Revenue Bonds			
Bond Series 2006, (4.00% - 5.25%) Final Maturity 2026	\$ 10,245,000	\$ 6,180,000	\$ 6,665,000
Refunding and Improvement Revenue Bonds			
Bond Series 2010A, 2010B, 2010C, 2010D (1.89% - 5.27%) Final Maturity 2030	78,670,000	58,990,000	63,055,000
Refunding and Improvement Revenue Bonds			
Bond Series 2013A, 2013B, 2013C (2.00% - 5.00%) Final Maturity 2033	56,200,000	44,930,000	49,020,000
Total Bonds Payable	145,115,000	110,100,000	118,740,000
Plus: Unamortized Net Premium	9,412,624	3,975,730	4,929,371
Bonds Payable, net	<u>\$ 154,527,624</u>	<u>\$ 114,075,730</u>	<u>\$ 123,669,371</u>

The maturity schedule for the University bonds payable at June 30, 2016, follows:

Year Ending June 30	Principal	Interest
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	9,295,000	3,983,955
2022-2026	41,920,000	13,008,757
2027-2031	23,200,000	3,745,063
2032-2033	2,125,000	112,175
Total	<u>\$ 110,100,000</u>	<u>\$ 40,629,225</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 original principal amount of the note was \$15,865,000 and the interest rate is 3.07%. 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 interest expense incurred on the note was \$487,056 and \$459,997 for fiscal years ended June 30, 2016 and 2015, respectively.

The maturity schedule for the subordinate revenue note at June 30, 2016, follows:

Year Ending June 30	Principal	Interest
2017	\$ 760,000	\$ 421,972
2018	820,000	398,640
2019	880,000	373,466
2020	945,000	346,450
2021	1,015,000	317,438
2022-2026	6,230,000	1,073,426
2027-2029	3,095,000	143,983
Total	<u>\$ 13,745,000</u>	<u>\$ 3,075,375</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, 2016.

Type of Property	Asset Carrying Value	Net Present Value of Minimum Lease Payments
Office equipment	\$ 229,960	\$ 142,886
Computer Equipment	1,194,061	858,865
Total	<u>\$ 1,424,021</u>	<u>\$ 1,001,751</u>

Year Ending June 30	Principal	Interest	Minimum Payments
2017	\$ 402,590	\$ 25,240	\$ 427,830
2018	390,569	12,680	403,249
2019	188,805	2,852	191,657
2020	14,614	783	15,397
2021	5,173	152	5,325
Total minimum lease payments	<u>\$ 1,001,751</u>	<u>\$ 41,707</u>	<u>\$ 1,043,458</u>

Note 7 – Health Insurance

The University provides group health insurance coverage for all regular employees working 30 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) group health 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%. Retiree health insurance will not be offered to employees hired after June 30, 2016.

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. 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.

A summary of member and employer contributions to the Educational Retirement Board is provided below:

	2016	2015	2014
Employee's earning \$20,000 or less:			
University contribution	13.90%	13.90%	13.15%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning more than \$20,000:			
University contribution	13.90%	13.90%	13.15%
Employee contribution	10.70%	10.70%	10.10%
University's contribution to ERB	\$ 26,736,083	\$ 27,631,799	\$ 26,179,018

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.

A summary of member and employer contributions to the Educational Retirement Board for the Return to Work Program is provided below:

	2016	2015	2014
Employee's earning \$20,000 or less:			
University contribution	13.90%	13.90%	13.15%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning more than \$20,000:			
University contribution	13.90%	13.90%	13.15%
Employee contribution	10.70%	10.70%	10.10%
University's contribution to ERB for RTW	\$ 211,022	\$ 211,179	\$ 217,851

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2015. At June 30, 2016 and 2015 the University reported liabilities of \$473,733,007 and \$431,412,011, respectively, 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, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the University's proportion was 7.31378% which was a decrease of 0.24725% from its proportion measured as of June 30, 2014. At June 30, 2014, the University 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, 2016, the University recognized a pension expense of \$34,785,204. At June 30, 2016, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,782,589
Changes of assumptions	16,294,202	
Net difference between projected and actual earnings on pension plan investments		2,132,390
Changes in proportion and differences between University contributions and proportionate share of contributions	1,136,248	11,742,728
University contributions subsequent to the measurement date	28,006,297	-
Total	<u>\$ 45,436,747</u>	<u>\$ 22,657,707</u>

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:

	2015	
	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	31,140,209	-
Total	<u>\$ 32,880,844</u>	<u>\$ 45,643,893</u>

The \$28,006,297 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date of June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

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	
2017	\$ (4,573,280)
2018	(4,386,790)
2019	(2,846,887)
2020	6,579,700
	<u>\$ (5,227,257)</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, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2015 using generally accepted actuarial principles. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

- All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ended June 30, 2015 and 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 June 12, 2015 in conjunction with the six-year experience study period June 30, 2014.
- For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

ERB approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015.

- Lower wage inflation from 4.25% to 3.75%
- Update the mortality tables with generational improvements
- Update demographic assumptions to use currently published tables, which may result in minor calculation changes
- No change in current 3.00% inflation assumption
- Retain net 4.75% real return assumption
- Retain 7.75% nominal return assumption
- No change to current COLA assumption of 2.00% per year
- Maintain current payroll growth assumption to 3.50%

- Maintain experience-based rates for members who joined ERB by June 30, 2010
- Remove population growth assumption for projections
- Lower population growth assumption from .50% to zero (no impact on valuation results)

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 2015 and 2014 for 30-year return assumptions are summarized in the following table:

Asset Class	2015	2014
	Long Term Expected Real Rate of Return	Long Term Expected Real Rate of Return
Cash	3.25%	3.75%
Treasuries	3.50%	4.00%
IG Corp Credit	4.75%	5.25%
MBS	3.75%	4.25%
Core	3.98%	4.46%
TIPS	4.00%	4.50%
High Yield Bonds	5.75%	6.00%
Bank Loans	6.00%	6.25%
Global Bonds (Unhedged)	2.25%	3.00%
Global Bonds (Hedged)	2.41%	3.13%
EMD External	6.00%	7.00%
EMD Local Currency	6.75%	7.25%
Large Cap Equities	7.50%	7.75%
Small/Mid Cap	7.75%	8.00%
International Equities (Unhedged)	8.00%	8.25%
International Equities (Hedged)	8.47%	8.48%
Emerging International Equities	9.25%	9.50%
Private Equity	9.50%	9.75%
Private Debt	8.00%	8.25%
Private Real Assets	7.75%	7.75%
Real Estate	6.50%	6.50%
Commodities	5.75%	6.00%
Hedge Funds Low Vol	6.75%	7.00%

Target allocation for each major asset class is summarized in the following table:

Asset Class	Target Allocation
Fixed income	28%
Domestic equity	20%
International equity	15%
Real estate	7%
Real assets	8%
Private equity	11%
Absolute return	0%
Global asset allocation	5%
Risk parity	5%
Cash	1%
Total	<u>100%</u>

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and June 30, 2014. 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 tables show the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2016 and 2015. 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.

	2016		
	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>\$ 637,439,410</u>	<u>\$ 473,733,007</u>	<u>\$ 336,202,587</u>

	2015		
	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	\$ 586,985,797	\$ 431,412,011	\$ 301,465,786

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, 2015 and 2014 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. Vesting is immediate and benefits may be distributed as an annuity, a roll over, or a withdrawal.

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.

A summary of member and employer contributions to the Educational Retirement Board for the Alternative Retirement Program is provided below:

	2016	2015	2014
Employee's earning \$20,000 or less:			
University contribution	10.90%	10.90%	10.15%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning more than \$20,000:			
University contribution	10.90%	10.90%	10.15%
Employee contribution	10.70%	10.70%	10.10%
Administrative fee to ERB	3.00%	3.00%	3.00%
Payroll expenses covered by ARP	\$ 27,853,706	\$ 27,883,938	\$ 27,583,886
University's contribution to the ERB for ARP	\$ 3,036,291	\$ 3,037,200	\$ 2,798,528
Administration fee paid to ERB for ARP	\$ 827,516	\$ 836,519	\$ 827,516
Employee contributions made to ARP	\$ 2,781,785	\$ 2,981,402	\$ 2,784,292

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, 2016 there was 1 employee enrolled under CSRS and 10 employees under FERS.

A summary of member and employer contributions to the Federal Retirement Program is provided below:

	2016	2015	2014
Employees covered by CSRS			
University contribution	7.00%	7.00%	7.00%
Employee contribution	7.00%	7.00%	7.00%
Employees covered by FERS			
University contribution	13.70%	13.20%	11.70%
Employee contribution	0.80%	0.80%	0.80%
University's contribution	\$ 142,235	\$ 142,467	\$ 145,937
Employee's contribution	\$ 19,980	\$ 23,647	\$ 28,545

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, 2016, 1,155 retirees met the eligibility requirements for health insurance.

Employees hired after June 30, 2016 will not be offered this benefit.

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 years 2016 and 2015 were \$4,357,000 and \$4,563,000, respectively, 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, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% 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 8.0% for retirees 65 years of age and under and 7.0% for retirees over 65 years of age and on an ultimate basis at 4.5%. 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 2.5% 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:

	2016
Annual required contribution	\$ 6,909,000
Interest on net OPEB Obligation	1,139,000
Adjustment to annual required contribution	(1,163,000)
Annual OPEB cost (expense)	<u>6,885,000</u>
Contributions made	<u>(4,357,000)</u>
Increase in net OPEB obligation	2,528,000
Net OPEB obligation beginning of year	<u>28,478,000</u>
Net OPEB obligation end of year	<u>\$ 31,006,000</u>

The percentage of annual OPEB cost contributed to the plan was 53%,47% and 46% for fiscal years 2016, 2015 and 2014, respectively.

Funded Status and Funding Progress. As of July 1, 2015, the updated actuarial valuation date, the present value of all future expected post-retirement health payments and administrative costs attributable to past service, was \$90,415,000 and the actuarial value of assets was zero. The covered payroll (annual payroll of active employees covered by the plan) was \$171,553,054 and the ratio of the UAAL to the covered payroll was 53%.

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, 2016, the estimated remaining costs to complete these and other in-house construction and renovation projects was approximately \$65.2 million. These projects are in various stages of completion. Those deemed to be major projects will be completed by December 2017. The remaining cost of all budgeted projects (both capital and non-capital) will be financed as follows:

Funding Sources	Amount
Revenue bonds	\$ 3,771,511
General obligation bonds (State of New Mexico)	11,888,563
General obligation bonds (Local)	16,910,923
Severance tax bonds (State of New Mexico)	5,941,759
University funds	18,311,747
State funds	6,743,225
Gifts, grants and contracts	1,632,851
Total	<u>\$ 65,200,579</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
2017	\$ 1,115,970
2018	718,235
2019	539,915
2020	181,511
2021	55,581
Years thereafter	130,267
Total minimum lease payments	<u>\$ 2,741,479</u>

Operating lease payments made in fiscal years 2016 and 2015 are as follows:

	2016	2015
Minimum rentals	\$ 1,664,352	\$ 1,767,582
Contingent rentals	184,583	135,545
Total lease payments	<u>\$ 1,848,935</u>	<u>\$ 1,903,127</u>

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

Other Commitments. At June 30, 2016, the University had outstanding purchase orders for materials and services which were not received, and thus are not recorded as liabilities in the accompanying Statement of Net Position. The approximate amount of such commitments is \$18.2 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, 2016 and 2015, and for the fiscal years then ended follows:

	2016	2015
Net Position:		
Total assets	\$ 689,503	\$ 849,119
Total liabilities	9,301	26,066
Total net position	<u>\$ 680,202</u>	<u>\$ 823,053</u>
Change in Net Position:		
Total revenues and other additions	\$ 751,487	\$ 669,254
Total expenditures	894,338	895,585
Change in Net Position	<u>(142,851)</u>	<u>(226,331)</u>
Net position, beginning	823,053	1,049,384
Net position, ending	<u>\$ 680,202</u>	<u>\$ 823,053</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 two years, 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 and attorney fees). During the fiscal years ended June 30, 2016 and 2015, the University paid Risk Management \$4,838,269 and \$5,836,521, respectively, 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 litigation with Doña Ana Community College (DACC) Nursing Students. The details of this situation follow.

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 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 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. In November 2015, the court denied NMSU's motion for summary judgment on the breach of contract claim and the plaintiffs voluntarily dismissed other claims. NMSU's petition for a writ of error was granted by the NM Court of Appeals in March of 2016, and the parties have fully briefed the appeal. 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.

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, 2016 and 2015, the cash balances available to make the next semi-annual payments were \$567,372 and \$995,478 for the Alamogordo Community College, \$518,674 and \$50,395 for the Carlsbad Community College, and \$4,546,387 and \$3,773,078 for the Doña Ana Community College, and \$217,317 and \$0 for the Grants Community College, respectively.

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
2017	\$ 355,000	\$ 107,754	\$ 462,754
2018	370,000	94,252	464,252
2019	385,000	80,093	465,093
2020	405,000	64,779	469,779
2021	420,000	48,379	468,379
2022-2026	980,000	52,450	1,032,450
Total	<u>\$ 2,915,000</u>	<u>\$ 447,707</u>	<u>\$ 3,362,707</u>
Carlsbad Community College			
Year Ending June 30	Principal	Interest	Total
2017	\$ 325,000	\$ 33,900	\$ 358,900
2018	335,000	20,700	355,700
2019	350,000	7,000	357,000
Total	<u>\$ 1,010,000</u>	<u>\$ 61,600</u>	<u>\$ 1,071,600</u>
Doña Ana Community College			
Year Ending June 30	Principal	Interest	Total
2017	\$ 4,225,000	\$ 527,938	\$ 4,752,938
2018	2,525,000	422,000	2,947,000
2019	1,800,000	350,500	2,150,500
2020	1,800,000	287,000	2,087,000
2021	1,600,000	224,000	1,824,000
2022-2026	4,475,000	464,750	4,939,750
2027-2031	1,050,000	47,250	1,097,250
Total	<u>\$ 17,475,000</u>	<u>\$ 2,323,438</u>	<u>\$ 19,798,438</u>
Grants Community College			
Year Ending June 30	Principal	Interest	Total
2017	\$ -	\$ 206,470	\$ 206,470
2018	275,000	204,933	479,933
2019	280,000	201,425	481,425
2020	285,000	197,006	482,006
2021	295,000	191,612	486,612
2022-2026	1,600,000	846,512	2,446,512
2027-2031	1,910,000	594,866	2,504,866
2032-2036	2,355,000	227,378	2,582,378
Total	<u>\$ 7,000,000</u>	<u>\$ 2,670,202</u>	<u>\$ 9,670,202</u>

Note 14 – Natural Classification Operating Expenses

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

	2016		2015	
	University	Component Unit	University	Component Unit
Operating Expenses				
Salaries:				
Faculty	\$ 96,983,251	\$ -	\$96,645,213	\$ -
Exempt staff	107,645,639	2,263,377	113,501,631	1,805,154
Non-exempt staff	16,830,106	-	18,226,341	-
Student/graduate assistant	29,490,950	38,110	28,557,130	54,901
Other compensation	2,680,882	6,710	4,220,577	7,077
Total salaries	<u>253,630,828</u>	<u>2,308,197</u>	<u>261,150,892</u>	<u>1,867,132</u>
Other Operating Expenses:				
Benefits	91,631,135	-	86,525,122	-
Travel	13,324,742	89,059	15,049,453	176,769
Scholarship and fellowships and other program support	34,174,208	9,890,271	37,941,496	10,824,897
Utilities	13,100,911	8,198	13,530,372	5,139
Professional fees	17,204,519	225,627	17,251,683	428,334
Supplies and other services	80,596,596	885,102	94,337,113	1,357,041
Depreciation	35,546,359	103,103	34,125,832	107,115
Total operating expenses	<u>\$ 539,209,298</u>	<u>\$ 13,509,557</u>	<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, 2016 (unaudited):

	2016	2015
Unrestricted Net Position	\$ (366,508,136)	\$ (367,228,109)
Less: Unfunded Pension	(450,953,967)	(444,175,060)
Less: Long-Term Compensated Absences	(14,439,948)	(15,262,912)
Less: Other Post Employment Benefits	(31,006,000)	(28,478,000)
Adjusted Unrestricted Net Position	<u>\$ 129,891,779</u>	<u>\$ 120,687,863</u>
Designated for Operations - Instruction and General	\$ 31,493,378	\$ 31,436,586
Designated for Operations - Research	17,234,789	16,081,983
Designated for Operations - Public Service	9,436,193	7,120,794
Designated for Operations - Other	9,748,402	7,240,698
Quasi Endowment Funds	12,747,515	15,744,494
Renewals and Replacements - Building	18,200,256	15,709,344
Renewals and Replacements - Auxiliary Enterprises	6,467,857	7,658,249
Renewals and Replacements - Internal Service Units	4,955,208	5,154,994
Renewals and Replacements - Equipment	7,745,706	6,737,725
Unexpended plant - Designated to Projects	8,606,763	6,184,886
Unexpended plant - Future Projects/ Contingency	3,255,712	1,618,110
Total	<u>\$ 129,891,779</u>	<u>\$ 120,687,863</u>

Note 16 – New Accounting Standards

GASB Statement No.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 No. 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 Statement No. 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 Statement No. 77 (*Tax Abatement Disclosures*) will become effective for fiscal year 2017. The objective of this statement is to provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The University has not yet determined the impact of this statement.

GASB Statement No. 78 (*Accounting and Financial Reporting for Pensions*) is effective for fiscal year 2017. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This statement does not apply to the University.

GASB Statement No. 79 (*Certain External Investment Pools and Pool Participants*) is effective fiscal year 2016. The primary objective of this statement is to establish criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The University does not participate in an external investment pool and thus this statement does not apply to the University.

GASB Statement No. 80 (*Blending Requirements for Certain Component Units*) will become effective for fiscal year 2017. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional

criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This statement requires blending of certain entities if they are incorporated as a non-for-profit where the primary government is the sole corporate member. Since both Arrowhead Inc. and Aggie Development Inc. are already reported as blended component units pursuant to GASB Statement No.39, this additional requirement does not apply to the University.

GASB Statement No. 81 (*Irrevocable Split Interest Agreements*) will become effective for fiscal year 2017. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The University is not a beneficiary to any of these types of agreements and thus this statement does not apply to the University. Note: The Foundation does include Irrevocable Split Interest Agreements and are included in their financial statements.

GASB Statement No. 82 (*Pension Issues amendments to Statements No. 67, No. 68 and No. 73*) Statement No. 82 addresses issues raised by stakeholders during the implementation of GASB's accounting and financial reporting standards for state and local governments: Statements 67, 68 and 73 and will become effective fiscal year 2017. The University is already reporting in compliance with GASB 82.

Note 17 – Subsequent Events

The University has evaluated subsequent events from the balance sheet date through November 2, 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 2016	Arrowhead Center, Inc 2016	Total 2016
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,868,077	\$ 622,924	\$ 14,491,001
Restricted Cash and cash equivalents	12,918,988	-	12,918,988
Cash and cash equivalents held in trust for NMSU	5,826,453	-	5,826,453
Cash and cash equivalents held in trust by others	6,926,583	-	6,926,583
Short-term investments	2,755,578	-	2,755,578
Accounts receivable, net	55,872,393	34,152	55,906,545
Due from component unit	2,031,831	-	2,031,831
Inventories	2,579,496	-	2,579,496
Prepaid expenses	5,163,108	-	5,163,108
Student loans receivable - current portion, net	1,260,852	-	1,260,852
Total current assets	<u>109,203,359</u>	<u>657,076</u>	<u>109,860,435</u>
Non-current assets:			
Unrestricted cash and cash equivalents	33,250,464	-	33,250,464
Restricted cash and cash equivalents	10,655,992	-	10,655,992
Investments held by others	62,460,343	-	62,460,343
Investments held in trust by component unit for NMSU	36,344,701	-	36,344,701
Other long-term investments	72,684,458	32,427	72,716,885
Student loans receivable, net	11,347,665	-	11,347,665
Prepaid expenses	7,328	-	7,328
Capital assets, net	504,968,368	-	504,968,368
Total non-current assets	<u>731,719,319</u>	<u>32,427</u>	<u>731,751,746</u>
TOTAL ASSETS	<u>840,922,678</u>	<u>689,503</u>	<u>841,612,181</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>45,436,747</u>	<u>-</u>	<u>45,436,747</u>
LIABILITIES			
Current liabilities:			
Accounts payable	15,727,556	8,729	15,736,285
Other accrued liabilities	17,997,480	-	17,997,480
Accrued interest payable	2,014,950	-	2,014,950
Unearned revenue	9,294,343	572	9,294,915
Held in trust by NMSU	7,498,035	-	7,498,035
Long-term liabilities - current portion	12,687,577	-	12,687,577
Total current liabilities	<u>65,219,941</u>	<u>9,301</u>	<u>65,229,242</u>
Non-current liabilities:			
Accrued benefit reserves	659,630	-	659,630
Other long-term liabilities	165,726,950	-	165,726,950
Net pension liability	473,733,007	-	473,733,007
Total non-current liabilities	<u>640,119,587</u>	<u>-</u>	<u>640,119,587</u>
TOTAL LIABILITIES	<u>705,339,528</u>	<u>9,301</u>	<u>705,348,829</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,874,120</u>	<u>-</u>	<u>22,874,120</u>
NET POSITION			
Net investment in capital assets	390,726,152	-	390,726,152
Restricted for:			
Non-expendable:			
Endowments	90,576,385	-	90,576,385
Expendable:			
Endowments	1,838,724	-	1,838,724
General activities	5,701,685	-	5,701,685
Federal student loans	17,753,365	-	17,753,365
Capital projects	18,051,147	-	18,051,147
Related entity activities	6,455	680,202	686,657
Unrestricted	<u>(366,508,136)</u>	<u>-</u>	<u>(366,508,136)</u>
TOTAL NET POSITION	<u>\$ 158,145,777</u>	<u>\$ 680,202</u>	<u>\$ 158,825,979</u>

See accompanying independent auditors' report

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	\$ 17,562,047	\$ 791,614	\$ 18,353,661
Restricted Cash and cash equivalents	11,575,956	-	11,575,956
Cash and cash equivalents held in trust for NMSU	3,506,297	-	3,506,297
Cash and cash equivalents held in trust by others	-	-	-
Short-term investments	3,251,897	-	3,251,897
Accounts receivable, net	50,934,200	25,078	50,959,278
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>97,291,462</u>	<u>816,692</u>	<u>98,108,154</u>
Non-current assets:			
Unrestricted cash and cash equivalents	30,971,411	-	30,971,411
Restricted cash and cash equivalents	13,143,323	-	13,143,323
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>732,590,542</u>	<u>32,427</u>	<u>732,622,969</u>
TOTAL ASSETS	<u>829,882,004</u>	<u>849,119</u>	<u>830,731,123</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>32,880,844</u>	<u>-</u>	<u>32,880,844</u>
LIABILITIES			
Current liabilities:			
Accounts payable	15,055,054	18,252	15,073,306
Other accrued liabilities	17,909,493	-	17,909,493
Accrued interest payable	1,797,092	-	1,797,092
Unearned revenue	15,966,495	7,814	15,974,309
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>71,637,781</u>	<u>26,066</u>	<u>71,663,847</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>677,524,017</u>	<u>26,066</u>	<u>677,550,083</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	(367,228,109)	-	(367,228,109)
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	Arrowhead Center, Inc.	Total Primary Institution
	2016	2016	2016
REVENUES			
Operating revenues:			
Student tuition and fees (gross)	\$ 111,641,792	\$ -	\$ 111,641,792
Less: Scholarship allowances	(40,347,585)	-	(40,347,585)
Student tuition and fees (net)	71,294,207	-	71,294,207
Federal appropriations, grants and contracts	90,637,831	-	90,637,831
State grants and contracts	14,590,177	-	14,590,177
Local appropriations, grants and contracts	2,784,153	-	2,784,153
Non-governmental grants and contracts	10,087,186	-	10,087,186
Sales and services	6,269,111	-	6,269,111
Auxiliary Enterprises (Net of Scholarship Allowances)	15,191,890	-	15,191,890
Other operating revenues	15,538,726	-	15,538,726
Total operating revenues	<u>226,393,281</u>	<u>-</u>	<u>226,393,281</u>
EXPENSES			
Operating expenses:			
Instruction	151,325,381	-	151,325,381
Research	92,090,234	-	92,090,234
Public service	49,141,698	-	49,141,698
Academic support	29,133,346	-	29,133,346
Student services	16,851,902	-	16,851,902
Institutional support	32,780,883	-	32,780,883
Operation and maintenance of plant	41,135,221	-	41,135,221
Scholarships and fellowships	29,997,863	-	29,997,863
Auxiliary enterprises	21,475,142	-	21,475,142
Independent operations	17,322,820	-	17,322,820
Intercollegiate athletics	18,640,460	-	18,640,460
Student social and cultural	4,115,692	-	4,115,692
Loan administration (net)	(347,703)	-	(347,703)
Depreciation	35,546,359	-	35,546,359
Total operating expenses	<u>539,209,298</u>	<u>-</u>	<u>539,209,298</u>
Net operating income (loss)	<u>(312,816,017)</u>	<u>-</u>	<u>(312,816,017)</u>
Non-operating revenues (expenses):			
State appropriations	207,568,589	-	207,568,589
Federal Pell grants	40,989,904	-	40,989,904
State lottery scholarship	16,197,814	-	16,197,814
Local tax levy revenue	12,465,269	-	12,465,269
Gifts and non-exchange grants	13,826,990	-	13,826,990
Investment loss	(707,953)	-	(707,953)
Building fees	3,964,856	-	3,964,856
Loss on disposal of plant	(305,658)	-	(305,658)
Additions to quasi endowments	156,213	-	156,213
Interest and other expenses on capital asset-related debt	(5,218,715)	-	(5,218,715)
Other non-operating revenues (expenses)	12,432	(142,851)	(130,419)
Net non-operating revenues (expenses)	<u>288,949,741</u>	<u>(142,851)</u>	<u>288,806,890</u>
Income before other revenues, expenses, gains or losses	(23,866,276)	(142,851)	(24,009,127)
Capital appropriations	36,412,972	-	36,412,972
Capital grants, gifts and other income	3,347,485	-	3,347,485
Additions to permanent endowments	2,889,958	-	2,889,958
Increase in net position	\$ 18,784,139	\$ (142,851)	\$ 18,641,288
NET POSITION			
Beginning of year	<u>139,361,638</u>	<u>823,053</u>	<u>140,184,691</u>
End of year	<u>\$ 158,145,777</u>	<u>\$ 680,202</u>	<u>\$ 158,825,979</u>

See accompanying independent auditors' report

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

	New Mexico State University	Arrowhead Center, Inc.	Total Primary Institution
	2015	2015	2015
REVENUES			
Operating revenues:			
Student tuition and fees (gross)	\$ 113,694,414	\$ -	\$ 113,694,414
Less: Scholarship allowances	<u>(41,290,643)</u>	<u>-</u>	<u>(41,290,643)</u>
Student tuition and fees (net)	72,403,771	-	72,403,771
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	<u>14,333,950</u>	<u>-</u>	<u>14,333,950</u>
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	<u>34,125,832</u>	<u>-</u>	<u>34,125,832</u>
Total operating expenses	<u>559,911,963</u>	<u>-</u>	<u>559,911,963</u>
Net operating income (loss)	<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)	<u>(5,583,853)</u>	<u>(226,331)</u>	<u>(5,810,184)</u>
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	<u>1,245,581</u>	<u>-</u>	<u>1,245,581</u>
Increase in net position	\$ (7,968,427)	\$ (226,331)	\$ (8,194,758)
NET POSITION			
Beginning of year	<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	\$100,655,055	\$117,134,278	\$117,134,278	\$ -
Unrestricted and restricted revenues:				
State government appropriations	208,367,500	207,558,561	207,568,588	10,027
Federal revenue sources	146,317,151	143,792,808	131,780,156	(12,012,652)
Tuition and fees income	114,260,086	110,762,471	111,438,014	675,543
Land and permanent fund	2,920,000	3,664,025	3,608,100	(55,925)
Endowment and private gifts	12,107,557	14,149,064	10,067,422	(4,081,642)
Other sources	162,987,997	183,991,124	177,408,760	(6,582,364)
Total unrestricted and restricted revenues	646,960,291	663,918,053	641,871,040	(22,047,013)
Unrestricted and restricted expenditures:				
Instruction	158,994,586	159,583,709	150,119,132	9,464,577
Academic support	31,380,462	32,753,330	31,899,491	853,839
Student services	17,736,979	17,356,378	16,094,756	1,261,622
Institutional support	33,137,031	33,865,977	32,559,230	1,306,747
Operation and maintenance	27,165,097	27,516,946	26,872,873	644,073
Subtotal instruction and general	268,414,155	271,076,340	257,545,482	13,530,858
Student social and cultural activities	4,747,211	4,249,293	4,153,292	96,001
Research	108,023,966	111,446,146	103,324,376	8,121,770
Public service	49,346,553	55,156,630	50,294,788	4,861,842
Internal services	1,291,821	2,872,239	(98,029)	2,970,268
Student aid, grants and stipends	91,411,240	81,487,226	75,693,913	5,793,313
Auxiliary services	25,063,039	24,005,926	21,364,980	2,640,946
Intercollegiate athletics	17,909,506	20,218,062	19,018,269	1,199,793
Independent operations	17,550,370	19,906,965	17,271,032	2,635,933
Capital outlay	37,702,889	41,496,246	32,984,477	8,511,769
Renewal and replacement	15,008,234	13,201,309	10,443,733	2,757,576
Retirement of indebtedness	15,477,466	15,528,966	15,478,966	50,000
Total unrestricted and restricted expenditures	651,946,450	660,645,348	607,475,279	53,170,069
Net transfers to (from)	-	-	79,642	(79,642)
Change in fund balance	(4,986,159)	3,272,705	34,316,119	31,043,414
Ending fund balance	\$ 95,668,896	\$ 120,406,983	\$ 151,450,397	\$ 31,043,414

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	\$ 21,953,084	\$ 31,436,586	\$ 31,436,586	\$ -
Unrestricted revenues:				
Tuition and fees income	93,848,380	90,389,128	90,367,413	(21,715)
Miscellaneous fees	7,246,001	7,343,725	8,012,634	668,909
Federal government appropriations	-	-	-	-
State government appropriations	160,452,700	159,530,161	159,530,401	240
Local government appropriations	11,361,307	11,972,000	12,469,269	497,269
Federal government grants and contracts	130,575	190,604	240,922	50,318
State government grants and contracts	-	-	-	-
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	2,920,000	3,664,025	3,608,100	(55,925)
Private gifts	10,000	-	-	-
Sales and services	392,100	701,470	851,476	150,006
Other sources	15,703,374	14,006,880	14,449,369	442,489
Total unrestricted revenues	<u>292,064,437</u>	<u>287,797,993</u>	<u>289,529,584</u>	<u>1,731,591</u>
Unrestricted expenditures:				
Instruction	143,808,341	144,491,621	139,197,734	5,293,887
Academic support	28,743,375	30,179,714	29,894,658	285,056
Student services	16,687,646	16,399,438	15,661,037	738,401
Institutional support	32,763,731	33,513,877	32,324,938	1,188,939
Operation and maintenance	27,137,497	27,499,646	26,862,049	637,597
Total unrestricted expenditures	<u>249,140,590</u>	<u>252,084,296</u>	<u>243,940,416</u>	<u>8,143,880</u>
Net transfers to (from)	<u>42,872,884</u>	<u>46,661,439</u>	<u>45,888,760</u>	<u>772,679</u>
Change in fund balance	<u>50,963</u>	<u>(10,947,742)</u>	<u>(299,592)</u>	<u>10,648,150</u>
Ending fund balance	<u>\$ 22,004,047</u>	<u>\$ 20,488,844</u>	<u>\$ 31,136,994</u>	<u>\$ 10,648,150</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	10,918,878	10,005,033	7,159,738	(2,845,295)
State government grants and contracts	2,514,142	2,292,177	2,291,891	(286)
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	1,449,419	1,661,423	1,030,738	(630,685)
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	4,391,126	5,033,411	3,122,699	(1,910,712)
Sales and services	-	-	-	-
Other sources	-	-	-	-
Total restricted revenues	<u>19,273,565</u>	<u>18,992,044</u>	<u>13,605,066</u>	<u>(5,386,978)</u>
Restricted expenditures:				
Instruction	15,186,245	15,092,088	10,921,398	4,170,690
Academic support	2,637,087	2,573,616	2,004,833	568,783
Student services	1,049,333	956,940	433,719	523,221
Institutional support	373,300	352,100	234,292	117,808
Operation and maintenance	27,600	17,300	10,824	6,476
Total restricted expenditures	<u>19,273,565</u>	<u>18,992,044</u>	<u>13,605,066</u>	<u>5,386,978</u>
Net transfers to (from)	-	-	-	-
Change in fund balance	-	-	-	-
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, 2016

Total Unrestricted and Restricted Revenues:		\$ 641,871,040
Reconciling Items:		
Scholarship allowance	\$ (45,762,238)	
Elimination of Internal Revenues	(15,493,157)	
Endowment fund revenues	(3,389,299)	
Blended Component Unit Revenues (AHC, ADI)	753,390	
Loan Fund Additions	106,554	
Financial statement adjustments	5,045,799	
Unexpended Plant Revenue reclassification	<u>(18,766,093)</u>	
Total reconciling items		<u>(77,505,044)</u>
Total reconciled unrestricted and restricted revenues		<u>\$ 564,365,996</u>
Basic Financial Statements		
Operating revenues		\$ 226,393,281
Non-operating revenues		294,461,682
Non-operating revenues netted in other non-operating revenues and expenses		860,618
Other Revenues		<u>42,650,415</u>
Total revenues per Financial Statements		<u>\$ 564,365,996</u>
Difference		<u>\$ -</u>
Total Unrestricted and Restricted Expenses:		\$ 607,475,279
Reconciling Items:		
Scholarship allowance	\$ (45,762,238)	
Elimination of Internal Sales	(15,493,157)	
Blended Component Unit expenditures (AHC, ADI)	969,429	
Depreciation expense	35,546,359	
Loan fund expenditures	(347,703)	
Other Operating expenses	1,705,122	
Capitalized expenditures	(16,289,708)	
Bond principal payments	(10,238,750)	
Pension Expense	6,778,891	
Accounts Payable accrual, net	(667,755)	
Financial statement reporting adjustments	509,374	
Unexpended Plant Revenue reclassification	(18,766,093)	
Loss on disposal of plant	<u>305,658</u>	
Total reconciling items		<u>(61,750,571)</u>
Total reconciled unrestricted and restricted expenses		<u>\$ 545,724,708</u>
Basic Financial Statements		
Operating expenditures		\$ 539,209,298
Non-operating expenditures		5,524,373
Non-operating expenditures netted in other non-operating revenues and expenses		<u>991,037</u>
Total Expenditures per Financial Statements		<u>\$ 545,724,708</u>
Difference		<u>\$ -</u>

See accompanying independent auditors' report

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

Page 1

Account	Type of Security	CUSIP No./ Security #	Maturity Date	Fair Value of Collateral	Deposit Amount
CITIZEN'S BANK OF LAS CRUCES					
<i>Certificate of Deposit</i>					
<i>Endowment</i>	None				\$ 31,110
FIRST NATIONAL BANK OF ALAMOGORDO					
<i>Cash</i>	Mortgage-Backed	31418BBB1	3/1/2024	\$ 625,000	\$ 631,814
GRANTS STATE BANK					
<i>Cash</i>	None				\$ 8,116
WELLS FARGO BANK OF NEW MEXICO					
<i>Cash</i>	FMAC	3132L5AL7	5/1/2043	\$ 27,924,465	
	FNMA	3138WFQN9	9/1/2035	\$ 31,578,228	
	FNMA	31416WL83	7/1/2040	\$ 22,485,756	\$ 60,654,360
WESTERN COMMERCE BANK, CARLSBAD					
<i>Cash</i>					\$ 14,453
WELLS FARGO SECURITIES, LLC (CERTIFICATES OF DEPOSIT)					
<i>Capital Bank Interest Bearing CD</i>	None				\$ 250,000
<i>Merrick Bank Interest Bearing CD</i>	None				250,000
<i>Peoples United Bank Interest Bearing CD</i>	None				250,000
<i>American Express Cent Bank Interest Bearing CD</i>	None				250,000
<i>Sallie Mae Bank Interest Bearing CD</i>	None				250,000
<i>Capital One Bank 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>ENER Bank USA Interest Bearing CD</i>	None				250,000
<i>Whitney Bank Interest Bearing CD</i>	None				250,000
<i>Midland STS Bank Interest Bearing CD</i>	None				250,000
<i>BMO Harris Bank Interest Bearing CD</i>	None				250,000
<i>Israel Discount Bank OF NY Interest Bearing CD</i>	None				250,000
<i>TCF National Bank Interest Bearing CD</i>	None				250,000
<i>First Niagra Bank Interest Bearing CD</i>	None				250,000
<i>Stearns Bank NA Interest Bearing CD</i>	None				250,000
<i>Eagle Bank Interest Bearing CD</i>	None				250,000
<i>Bank United NA Interest Bearing CD</i>	None				250,000
<i>First Savings Bank Interest Bearing CD</i>	None				250,000
<i>Barclays Bank Interest Bearing CD</i>	None				250,000
<i>BMW Bank North American Interest Bearing CD</i>	None				250,000
<i>Comenity Cap Bank Interest Bearing CD</i>	None				250,000
<i>Capital One NA Interest Bearing CD</i>	None				250,000
<i>Discover Bank Interest Bearing CD</i>	None				250,000
<i>Goldman Sachs Bank Interest Bearing CD</i>	None				250,000
					\$ 6,750,000

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

Page 2

Account	FDIC/SPIC Insurance	Uninsured Public Funds	By the pledging Federal Institution	Excess Amounts over 50% Collateral Requirement
CITIZEN'S BANK OF LAS CRUCES				
<i>Certificate of Deposit</i>				
<i>Endowment</i>	\$ 31,110	\$ -	\$ -	\$ -
FIRST NATIONAL BANK OF ALAMOGORDO				
<i>Cash</i>	\$ 250,000	\$ 381,814	\$ 625,000	\$ 434,093
GRANTS STATE BANK				
<i>Cash</i>	\$ 8,116	\$ -	\$ -	\$ -
WELLS FARGO BANK OF NEW MEXICO				
<i>Cash</i>	\$ 500,000	\$ 60,154,360	\$ 81,988,449	\$ 51,911,269
WESTERN COMMERCE BANK, CARLSBAD				
<i>Cash</i>	\$ 14,453	\$ -	\$ -	\$ -
WELLS FARGO SECURITIES, LLC (CERTIFICATES OF DEPOSIT)				
<i>Capital Bank Interest Bearing CD</i>	\$ 250,000	-	-	-
<i>Merrick Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Peoples United Bank Interest Bearing CD</i>	250,000	-	-	-
<i>American Express Cent Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Sallie Mae Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Capital One Bank 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>ENER Bank USA Interest Bearing CD</i>	250,000	-	-	-
<i>Whitney Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Midland STS Bank Interest Bearing CD</i>	250,000	-	-	-
<i>BMO Harris Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Israel Discount Bank OF NY Interest Bearing CD</i>	250,000	-	-	-
<i>TCF National Bank Interest Bearing CD</i>	250,000	-	-	-
<i>First Niagra Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Stearns Bank NA Interest Bearing CD</i>	250,000	-	-	-
<i>Eagle Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Bank United NA Interest Bearing CD</i>	250,000	-	-	-
<i>First Savings Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Barclays Bank Interest Bearing CD</i>	250,000	-	-	-
<i>BMW Bank North American Interest Bearing CD</i>	250,000	-	-	-
<i>Comenity Cap Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Capital One NA Interest Bearing CD</i>	250,000	-	-	-
<i>Discover Bank Interest Bearing CD</i>	250,000	-	-	-
<i>Goldman Sachs Bank Interest Bearing CD</i>	250,000	-	-	-
	\$ 6,750,000	\$ -	\$ -	\$ -

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 \$3,405. 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 expenses for the current year's agreement are \$44,661. 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 (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 \$2,924. 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 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 \$8,838. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
5. 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 October 15, 2014 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 \$407. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
6. 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 \$0. 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)

Agency No.	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
953	NMSU	Higher Education Institutions	201501027-P	Competitive	CD Mechanical Inc.	Winner	\$ 297,245.38	\$ (13,469.22)	Las Cruces, NM	Y	Y	Coca-Cola Weight Training Center and Field House Hot Water Upgrade
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
953	NMSU	Higher Education Institutions	201501039-EH	Competitive	Smith & Aguirre Construction Co. Inc.	Winner	\$ 533,750.00	\$ 145,216.82	Las Cruces, NM	Y	N	McFie Circle Project-Phase I
					Denco Inc.	Loser			Las Cruces, NM	Y	N	
					Bradbury Stamm Construction	Loser			Albuquerque, NM	Y	N	
953	NMSU	Higher Education Institutions	201502048-F	Competitive	The New Mexico Farmers Marketing	Winner	\$ 380,000.00		Santa Fe, NM	N	N	Farmers' Market Double Up Food Buck Program
953	NMSU	Higher Education Institutions	201501044-EH	Competitive	C&E Industrial Services Inc.	Winner	\$ 769,282.13	\$ 58,323.34	Sunland Park, NM	Y	N	Memorial Stadium Sky Box
					ESA Construction Inc. Jaynes Corporation	Loser			El Paso, TX Las Cruces, NM	Y Y	N N	
953	NMSU	Higher Education Institutions	201501050-P	Competitive	Smith & Aguirre Construction Co. Inc.	Winner	\$ 181,101.80	\$ 115,783.05	Las Cruces, NM	Y	N	Parking Lot Projects
					A Mountain Professional Construction LLC	Loser			Las Cruces, NM	Y	N	
					Burn Construction Co. Inc.	Loser			Las Cruces, NM	Y	Y	
					Morrow Enterprise Inc.	Loser			Las Cruces, NM	Y	N	
953	NMSU	Higher Education Institutions	201501057-F	Competitive	Acroamatics Inc.	Winner	\$ 78,384.00		Goleta, CA	N	N	Acroamatic Synchronizer (no subs)
					Elotek Systems Inc	Loser			San Clemente, CA	N	N	
953	NMSU	Higher Education Institutions	201501070-EH	Competitive	ESA Construction Inc.	Winner	\$ 219,094.13	\$ 15,083.91	El Paso, TX	Y	N	NMSU Grants Martinez Hall Rooms 123 and 124 Renovation
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					Longhorn Construction Dodge	Loser			Albuquerque, NM	Y	N	
					TFC Construction	Loser			La Joya, NM	N	N	
					Vigil Contracting Services	Loser			Albuquerque, NM	Y	N	
953	NMSU	Higher Education Institutions	201501074-P	Competitive	Pavilion Construction	Winner	\$ 12,928,012.13	\$ 603,293.74	Portland, OR	Y	N	Jett Hall & Jett Annex Renovations and additions
					Bradbury Stamm Construction	Loser			Albuquerque, NM	Y	N	
					DND Contractors Inc.	Loser			Las Cruces, NM	Y	N	
					ESA Construction Inc.	Loser			El Paso, TX	Y	N	
					Flintco LLC.	Loser			Albuquerque, NM	Y	N	
					Jaynes Corporation	Loser			Las Cruces, NM	Y	N	
953	NMSU	Higher Education Institutions	201502077-EH	Competitive	Green Works Enterprises Inc.	Winner	\$ 84,917.93	\$ 401.83	Albuquerque, NM	Y	N	Irrigation Controller
953	NMSU	Higher Education	201501089-F	Competitive	Motion Industries	Winner	\$ 100,360.00		Albuquerque, NM	N	N	4 Point Kaydon Bearing (no subs)
953	NMSU	Higher Education Institutions	201601010-EH	Competitive	ESA Construction Inc.	Winner	\$ 2,243,137.75	\$ 58,561.10	El Paso, TX	Y	N	NMSU Main Campus Rentfrow Gym Building Renovation
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					CD General Contractors Inc.	Loser			Las Cruces, NM	Y	N	
					Highland Enterprises Inc.	Loser			Las Cruces, NM	Y	N	
					National Construction Inc.	Loser			Alamogordo, NM	Y	N	
953	NMSU	Higher Education Institutions	201601002-EH	Competitive	CD General Contractors Inc.	Winner	\$ 269,543.75	\$ 37,948.91	Las Cruces, NM	Y	N	NMSU/DACC Building 341 Re-roofing
					DKC & Associates	Loser			Albuquerque, NM	Y	N	
					The Roof & Metal Co.	Loser			El Paso, TX	N	N	
					Smith Roofing	Loser			Las Cruces, NM	Y	N	
					SRI of New Mexico	Loser			Santa Teresa, NM	N	N	
953	NMSU	Higher Education Institutions	201601001-EH	Competitive	ESA Construction Inc.	Winner	\$ 2,827,807.50	\$ 150,992.40	El Paso, TX	Y	N	NMSU/DACC Building 341 Renovation
					Classic Industries Inc.	Loser			Dona Ana, NM	Y	N	
					J. Carrizal General Construction Inc.	Loser			El Paso, TX	Y	N	
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					National Construction Inc.	Loser			Alamogordo, NM	Y	N	
953	NMSU	Higher Education Institutions	201601013-P	Competitive	C&E Industrial Services Inc.	Winner	\$ 268,656.48		Sunland Park, NM	Y	N	Restroom Renovations to Various Buildings
					CD General Contractors Inc.	Loser			Las Cruces, NM	Y	N	
					Cherokee Enterprisez Inc.	Loser			Alamogordo, NM	Y	N	
					Classic Industries Inc.	Loser			Dona Ana, NM	Y	N	
					ESA Construction Inc.	Loser			El Paso, TX	Y	N	
					Mevacon LLC	Loser			Las Cruces, NM	Y	N	
953	NMSU	Higher Education Institutions	201601018-P	Competitive	Southwest Hazard Control	Winner	\$ 609,808.00	\$ 41,162.04	Tucson, AZ	Y	N	Monagle Hall Asbestos Abatement
					Border Demolition & Environmental Inc.	Loser			El Paso, TX	N	N	
					GWC Construction Inc.	Loser			Lovington, NM	Y	Y	
					Keers Remediation Inc.	Loser			Albuquerque, NM	N	N	

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Agency No.	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
					MFH Environmental Corp.	Loser			El Paso, TX	N	N	
					Spray Systems ERI	Loser			Tempe, AZ	N	N	
953	NMSU	Higher Education Institutions	201601015-P	Competitive	Smith & Aguirre Construction Co. Inc	Winner	\$ 489,415.58	\$ 29,401.05	Las Cruces, NM	Y	N	FY 16 Parking Lot Projects
					A Mountain Professional Construction LLC	Loser			Las Cruces, NM	Y	N	
					Armour Pavement Inc.	Loser			Albuquerque, NM	Y	N	
					Burn Construction Co. Inc.	Loser			Las Cruces, NM	Y	Y	
					Highland Enterprises Inc.	Loser			Las Cruces, NM	Y	N	
					Morrow Enterprise Inc.	Loser			Las Cruces, NM	Y	N	
					New Mex Paving Company	Loser			El Paso, TX	N	N	
					Rengade Construction LLC	Loser			Fairacres, NM	Y	N	
953	NMSU	Higher Education Institutions	201601020-P	Competitive	J. Carrizal General Construction Inc.	Winner	\$ 673,372.75		El Paso, TX	Y	N	NMSU Monagle Hall Demolition
					Border Demolition & Environmental Inc.	Loser			El Paso, TX	N	N	
					Crosstown Construction & Trucking Equipment	Loser			Las Cruces, NM	Y	N	
					GWC Construction Inc.	Loser			Lovington, NM	Y	Y	
					R-con Construction Inc	Loser			Las Cruces, NM	Y	Y	
					Robles 1 Demolition	Loser			El Paso, TX	N	N	
953	NMSU	Higher Education Institutions	201601031-EH	Competitive	ESA Construction Inc.	Winner	\$ 90,737.50	\$ 11,962.87	El Paso, TX	Y	N	Cervantes Community Center and South Office
					CD General Contractors Inc.	Loser			Las Cruces, NM	Y	N	
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	N	N	
					J. Carrizal General Construction Inc.	Loser			El Paso, TX	Y	N	
					Western Builders	Loser			Mesilla Park, NM	Y	N	
953	NMSU	Higher Education Institutions	201601035-F	Competitive	HeartLand Video Systems Inc	Winner	\$ 153,586.72		Plymouth WI, WI	N	N	Harmonic Spectrum X Media Server System
					AVI Systems Inc	Loser			Eden Prairie, MN	N	N	
					Burst Communications	Loser			Centennial, CO	N	N	
					Harmonic Inc	Loser			San Jose, CA	N	N	
953	NMSU	Higher Education Institutions	201601036-F	Competitive	Sierra Irrigation	Winner	\$ 69,000.50		Las Cruces, NM	N	N	Rolled Pavers for NMSU
					Ewing Irrigation Products	Loser			Phoenix, AZ	N	N	
953	NMSU	Higher Education Institutions	201601030-F	Competitive	Acroamatics Inc.	Winner	\$ 104,700.00		Goleta, CA	N	N	Bits Syncs for NMSU PSL
					Elotek Systems Inc	Loser			San Clemente, CA	N	N	
					Integral Marketing	Loser			Crofton, MD	N	N	
953	NMSU	Higher Education Institutions	201601019-EH	Competitive	Enoch Mechanical Inc.	Winner	\$ 867,760.47		Las Cruces, NM	Y	N	NMSU Carlsbad IT Renovation, Emergency Backup Generator and Boiler
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
953	NMSU	Higher Education Institutions	201601028-F	Competitive	Wagner Equipment Co.	Winner	\$ 68,395.00		Aurora, CO	Y	N	Telehandler forklift for NMSU AF Science Center
					All Around Access LLC	Loser			Naples, FL	N	N	
					Construction Rental & Supply Inc.	Loser			Albuquerque, NM	N	N	
					Olympic Equipment Rentals	Loser			Palatine, IL	N	N	
					Pro Con LLC	Loser			Las Cruces, NM	Y	N	
953	NMSU	Higher Education Institutions	201601023-EH	Competitive	RCI Power & Lighting Inc	Winner	\$ 90,620.08		Las Cruces, NM	Y	N	Music Building Medium Voltage Upgrade
					Carver Electric Company Inc.	Loser			Mesilla Park, NM	Y	N	
					JC Electrical Services LLC	Loser			La Mesa, NM	N	N	
953	NMSU	Higher Education Institutions	201601012-EH	Competitive	C&E Industrial Services Inc.	Winner	\$ 970,291.20		Sunland Park, NM	Y	N	NMSU Carlsbad Main Building 'A' Fire Sprinkler and Fire System
953	NMSU	Higher Education Institutions	201601016-F	Competitive	Anatomy Warehouse	Loser			Evanston, IL	N	N	Medical Simulator World Point/Koken
					Guamard Scientific World Point	Loser			Miami, FL	N	N	
					LC Structural	Loser			Wheeling, IL	N	N	
953	NMSU	Higher Education Institutions	201601003-EH	Competitive	LC Structural	Winner	\$ 175,497.00	\$ 138,281.62	Las Cruces, NM	Y	N	NMSU Main Campus Tunnel System Repair Phase 2
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					ESA Construction Inc.	Loser			El Paso, TX	Y	N	
					Highland Enterprises Inc.	Loser			Las Cruces, NM	Y	N	
					Smith & Aguirre Construction Co. Inc	Loser			Las Cruces, NM	Y	N	
953	NMSU	Higher Education Institutions	201502091-EH	Competitive	Aecom Technical Service Inc.	Winner	\$ 332,485.00		Denver, CO	Y	N	Dam Break Inundation Mapping, Emergency Action Planning and
					E.S.P. Associates P.A	Loser			Charlotte, NC	N	N	

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Agency No.	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
					JE Fuller/Hydrology & Geomorphology Inc	Loser			Tempe, AZ	N	N	
					Bohannon Huston Inc	Loser			Albuquerque, NM	Y	N	
					Golder Associates Inc.	Loser			Albuquerque, NM	Y	N	
953	NMSU	Higher Education Institutions	201501090-EH	Competitive	Enoch Mechanical Inc.	Winner	\$ 220,438.75	\$ 9,776.50	Las Cruces, NM	Y	N	NMSU Main Campus Astronomy Building Air Handler Replacement
					B&H Mechanical	Loser			Las Cruces, NM	Y	N	
					CD Mechanical	Loser			Las Cruces, NM	Y	Y	
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					El Paso A.R.C Electric Inc.	Loser			El Paso, TX	N	N	
					TLC Plumbing & Utility	Loser			Albuquerque, NM	Y	N	
953	NMSU	Higher Education Institutions	201501094-F	Competitive	Midwest Automotive Design	Winner	\$ 104,370.00		Elkhart, IN	N	N	Customized Sprinter Van
					Davey Coach Sales Incorporated	Loser			Sedalia, CO	N	N	
953	NMSU	Higher Education Institutions	201502083-EH	Competitive	NCA Architects	Winner	\$ 72,736.37		Albuquerque, NM	Y	N	Architectural/Engineering Services for NMSU Grants - Martinez Hall
					Davey Coach Sales Incorporated	Loser			Sedalia, CO	Y	N	
					Atkin Olshin Schade Architects	Loser			Santa Fe, NM	Y	N	
					Cherry See Reames Architects	Loser			Albuquerque, NM	Y	N	
					Dekker/Perich/ Sabatini	Loser			Albuquerque, NM	Y	N	
					Lee Gamelsky Architects PC	Loser			Albuquerque, NM	Y	N	
					New Republic Architecture	Loser			El Paso, TX	N	N	
					The Design Group	Loser			Albuquerque, NM	Y	N	
953	NMSU	Higher Education Institutions	201502092-F	Competitive	Contech PST	Winner	\$ 124,800.00		Melville, NY	N	N	Mirowave RF Power Amplifier for NSU PSL
					e2v Technologies Inc.	Loser			Milpitas, CA	N	N	
					L-3 Communications	Loser			San Carlos, CA	N	N	
953	NMSU	Higher Education Institutions	201501085-F	Competitive	TestEquity	Winner	\$ 93,072.00		Los Angeles, CA	N	N	Keysight Scientific Equipment
					Business Services	Loser			Longboat Key, FL	N	N	
					Keysight Technologies	Loser			Englewood, CO	N	N	
953	NMSU	Higher Education Institutions	201501081-EH	Competitive	Saab Site Contractors LP	Winner	\$ 498,551.48	\$ 32,334.55	El Paso, TX	N	N	NMSU Landfill Closure
					Burn Construction Co. Inc.	Loser			Las Cruces, NM	Y	Y	
					Highland Enterprises Inc.	Loser			Las Cruces, NM	Y	N	
					Morrow Enterprises Inc.	Loser			Las Cruces, NM	Y	N	
					Smith & Aguirre Construction Co. Inc	Loser			Las Cruces, NM	Y	N	
					Smithco Construction	Loser			Caballo, NM	Y	N	
953	NMSU	Higher Education Institutions	201501079-F	Competitive	Waide Irrigation Service and Supply	Winner	\$ 80,113.24		Hagerman, NM	Y	N	Lateral Sprinkler System
953	NMSU	Higher Education Institutions	201501073-EH	Competitive	WWRC Inc	Winner	\$ 107,791.16		Clovis, NM	Y	N	Ag Science Center at Clovis Hail Damage Repairs
953	NMSU	Higher Education Institutions	201501072-EH	Competitive	Western Builders LLC	Winner	\$ 91,440.99	\$ 31,664.00	Mesilla Park, NM	Y	N	Tortugas Reclamation Demolition-AT&T Building, South Observatory Building
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					Crosstown Construction & Trucking Equipment	Loser			Las Cruces, NM	Y	N	
					ESA Construction Inc.	Loser			El Paso, TX	Y	N	
					Gallardo Construction	Loser			Las Cruces, NM	N	N	
					Highland Enterprises	Loser			Las Cruces, NM	Y	N	
					Sierra Valley Contractors	Loser			Truth or Consequenc	Y	Y	
					Spartan Construction	Loser			Las Cruces, NM	N	N	
953	NMSU	Higher Education Institutions	201502065-EH	Competitive	Go Direct Mail Marketing	Winner	\$ 142,500.00		El Paso, TX	N	N	Mail Services for NMSU Central Campus
953	NMSU	Higher Education Institutions	201501068-P	Competitive	ESA Construction Inc.	Winner	\$ 361,489.13	\$ 7,559.10	El Paso, TX	Y	N	NMSU Grants Infrastructure Improvements
					Energy Control Inc.	Loser			Rio Rancho, NM	Y	N	
					Longhorn Construction Services	Loser			Albuquerque, NM	Y	Y	
953	NMSU	Higher Education Institutions	201501059-P	Competitive	Western Builders LLC	Winner	\$ 293,756.92	\$ 69,779.09	Mesilla Park, NM	Y	N	NMSU Women's Swim Team Locker Room
					C&E Industrial Services Inc.	Loser			Sunland Park, NM	Y	N	
					ESA Construction Inc.	Loser			El Paso, TX	Y	N	
953	NMSU	Higher Education Institutions	201501061-EH	Competitive	RCI Power & Lighting Inc.	Winner	\$ 136,917.55		Las Cruces, NM	Y	N	Zone 2800 Medium Voltage Electrical Infrastructure
					B&D Industries	Loser			Albuquerque, NM	Y	N	
					Carver Electric Company Inc.	Loser			Mesilla Park, NM	Y	N	
					El Paso A.R.C Electric	Loser			El Paso, TX	N	N	
					Lynco Electric Co. Inc.	Loser			Las Cruces, NM	Y	N	

See accompanying independent auditors' report

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

Agency No.	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
953	NMSU	Higher Education Institutions	201501051-P	Competitive	C&E Industrial Services Inc.	Winner	\$ 610,706.27	\$ 45,754.53	Sunland Park, NM	Y	N	Faculty Office Building Renovation
					Denco Inc.	Loser			Las Cruces, NM	Y	N	
					DND Contractors Inc.	Loser			Las Cruces, NM	Y	N	
					ESA Construction Inc.	Loser			El Paso, TX	Y	N	
					LC Structural	Loser			Las Cruces, NM	Y	Y	
					National Construction Inc.	Loser			Alamogordo, NM	Y	N	
					Pavilion Construction	Loser			Portland, OR	Y	N	
953	NMSU	Higher Education Institutions	201502067-P	Competitive	GWC Construction	Winner	\$ 46,492.29	\$ 66,814.55	Lovington, NM	N	Y	Jett Hall asbestos removal
					Border Demolition & Environmental Inc	Loser			El Paso, TX	N	N	
					Southwets Harzard Control Inc	Loser			Albuquerque, NM	Y	N	
					Spray Systems ERI	Loser			Tempe, AZ	N	N	
953	NMSU	Higher Education Institutions		Sole Source	Ex Libris USA Inc.	Winner	\$ 99,494.32		Chicago, IL	N	N	Maintenance and Support of Voyager Integrated Library System
953	NMSU	Higher Education Institutions		Sole Source	PeopleAdmin	Winner	\$ 80,929.23		Austin, TX	N	N	PeopleAdmin Software Integrated Maintenance Fees
953	NMSU	Higher Education Institutions		Sole Source	PeopleAdmin	Winner	\$ 440,534.18		Austin, TX	N	N	PeopleAdmin Software Integrated Maintenance Fees
953	NMSU	Higher Education Institutions		Sole Source	Panopto	Winner	\$ 133,016.00		Pittsburgh, PA	N	N	Panopto Renewal of Licensing, Maintenance, and Technical Support
953	NMSU	Higher Education Institutions		Sole Source	Crown Building Maintenance Inc.	Winner	\$ 200,000.00		Las Cruces, NM	N	N	Restaurant Equipment Maintenance
953	NMSU	Higher Education Institutions		Sole Source	Ad Astra Information Systems	Winner	\$ 315,608.75		Overland Park, KS	N	N	Enterprise Scheduling Software and Cloud Services
953	NMSU	Higher Education Institutions		Sole Source	AssetWorks	Winner	\$ 429,717.70		San Antonio, TX	N	N	AIM software maintenance and support
953	NMSU	Higher Education Institutions		Sole Source	Automic Software	Winner	\$ 231,246.00		Bellevue, WA	N	N	AppWorx enterprise scheduling software licensing and support
953	NMSU	Higher Education Institutions		Sole Source	CollegeSource	Winner	\$ 190,874.57		Cincinnati, OH	N	N	Degree audit reporting, academic planning, and schedule building software
953	NMSU	Higher Education Institutions		Sole Source	Eaton Corporation	Winner	\$ 162,990.41		Bethel, CT	N	N	Maintenance and support of Uninterruptible Power Source
953	NMSU	Higher Education Institutions		Sole Source	Ellucian	Winner	\$ 414,643.00		Fairfax, VA	N	N	Constituent Relationship Management Software licensing, maintenance and
953	NMSU	Higher Education Institutions		Sole Source	Evisions	Winner	\$ 151,603.29		Irvine, CA	N	N	Form Fusion and Intellicheck software licensing and maintenance.
953	NMSU	Higher Education Institutions		Sole Source	IBM Corp	Winner	\$ 343,485.58		Chicago, IL	N	N	SPSS/Amos licensing and maintenance; used for instruction.
953	NMSU	Higher Education Institutions		Sole Source	Higher One Cashnet	Winner	\$ 68,400.00		New Haven, CT	N	N	Annual subscription renewal for cashner administration, ePayment, Cashiering,
953	NMSU	Higher Education Institutions		Sole Source	Higher One Cashnet	Winner	\$ 69,441.67		New Haven, CT	N	N	Annual subscription renewal for cashner administration, ePayment, Cashiering,
953	NMSU	Higher Education Institutions		Sole Source	Compass Instruments	Winner	\$ 929,270.00		Sugar Grove, IL	N	N	Octane rating units for use by NMDA
953	NMSU	Higher Education Institutions		Sole Source	Michael Sutter Co	Winner	\$ 65,000.00		Heber City, UT	N	N	Diploma printing
953	NMSU	Higher Education Institutions		Sole Source	Campus EAI	Winner	\$ 483,665.00		Cleveland, OH	N	N	Licensing and maintenance of campus intranet portal and related software
953	NMSU	Higher Education Institutions		Sole Source	Oracle America Inc.	Winner	\$ 2,218,571.48		Redwood Shores, CA	N	N	Licensing and maintenance of primary database software, supporting
953	NMSU	Higher Education Institutions		Sole Source	Find It Detection Dogs	Winner	\$ 136,828.00		Walden, CO	N	N	Scat detection services and training for mountain lion study
953	NMSU	Higher Education Institutions		Emergency	Johnson Controls	Winner	\$ 80,305.96		El Paso, TX	N	N	Repairs to steam driven chiller
953	NMSU	Higher Education Institutions		Emergency	Maez Water Sources & Drilling HWY 47 Peralta	Winner	\$ 40,161.29			N	N	Repair Discharge Head Labor to Install
953	NMSU	Higher Education Institutions		Emergency	LC Structural Inc 720 E Chestnut Ave	Winner	\$ 101,196.17		Las Cruces, NM 8800	N	N	Demolition and replacement of NMSU Utility Tunnel determined to be
953	NMSU	Higher Education Institutions		Emergency	Smith & Aguirre Construction Co. Inc	Winner	\$ 89,652.48		Las Cruces, NM	N	N	Demolish and replace existing sidewalks and concrete
953	NMSU	Higher Education Institutions		Emergency	Mainline Invormation Services	Winner	\$ 168,110.74		Birmingham, AL	N	N	Provide support for mission critical computer hardware

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

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2016	\$ -	\$ 90,415,000	\$ 90,415,000	0%	\$ 171,553,054	53%
6/30/2015	\$ -	\$ 91,867,000	\$ 91,867,000	0%	\$ 195,520,290	47%
6/30/2014	\$ -	\$ 88,830,000	\$ 88,830,000	0%	\$ 195,089,918	46%

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contributions (ARC)	Actual Contributions	% Contributed
6/30/2016	\$ 6,885,000	\$ 4,357,000	63.3%
6/30/2015	\$ 7,248,000	\$ 4,563,000	61.6%
6/30/2014	\$ 6,973,000	\$ 4,292,000	59.7%

Summary of Key Actuarial Methods and Assumptions

Valuation year	July 1, 2015 to June 30, 2016
Actuarial cost method	Projected Unit Credit Actuarial Cost Method
Amortization method	30 Years
Discount rate	4.0%
Projected payroll growth rate	2.5%
Health care cost trend rate	Medical and prescription benefits on a select basis at 8.0% pre 65, and 7.0% post 65. On the ultimate basis all ages are at 4.5%. The select trend rates are reduced .5% each year until reaching the ultimate trend.

See accompanying 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 two years are 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

	2016	2015
University's proportion of the net pension liability	7.31378%	7.56103%
University's proportion share of the net pension liability	\$ 473,733,007	\$ 431,412,011
University's covered-employee payroll	\$ 199,689,623	\$ 229,696,230
percentage of its covered-employee payroll	237.23%	187.82%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

Schedule of Employer Contributions – ERB Plan

	2016	2015
Statutorily required employer contribution	\$ 28,006,297	\$ 31,140,209
Contributions in relation to the statutorily required contribution	28,006,297	31,140,209
Contribution deficiency (excess)	\$ -	\$ -
University's covered-employee payroll	\$ 201,383,448	\$ 199,689,623
Contributions as percentage of covered-employee payroll	13.91%	15.59%

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

The ERB Board of Trustees approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015:

1. Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.25% to 3.75%
 - b. Update mortality tables to incorporate generational improvements
 - c. Update demographic assumptions to use currently published tables, which may result in minor calculation changes
 - d. Remove population growth assumption for projections
 - e. Lower population growth from 0.50% to zero (no impact on valuation results)
2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%
 - c. Retain 4.75% net real return assumption
 - d. No change to current COLA assumption of 2.00% per year
 - e. Maintain current payroll growth assumption to 3.50%
 - f. Maintain experience-based rates for members who joined ERB by June 30, 2010

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					
DEPARTMENT OF DEFENSE (DOD)					
	NMSU WATER SECURITY PROGRAM	12.300	GR0003338	(13,320)	268,627
	BURROWING OWL POPULATION KIRTLAND	12.300	GR0005017	52,451	82,478
			CFDA 12.300 Total	39,131	351,105
	US ARMY W911NF-12-1-0050	12.430	GR0003867	-	54,602
	A LOCAL ANALYSIS OF THE FLUID DYNAM	12.430	GR0004827	-	49,916
	STIR-MECHANISMS OF ENHANCING IMPACT	12.430	GR0004845	-	49,985
	1099 - TSER 2	12.430	GRP001099	144,567	4,448,444
			CFDA 12.431 Total	144,567	4,602,947
	PULSE COMPLEXITY BASED LIDAR SCENE	12.630	GR0004121	-	40,779
	INVESTIGATION INTO THE CONTROL OF I	12.630	GR0004751	-	122,476
	THEORIES AND ALGORITHMS TO ACHIEVE	12.630	GR0004871	-	40,176
	EVALUATION OF RIO GRANDE SILVERY MI	12.630	GR0004925	-	26,314
	KIRTLAND AFB MOUNTAIN LION STUDY	12.630	GR0005000	-	34,359
			CFDA 12.360 Total	-	264,104
	OPTICAL SPECTROSCOPY OF MATERIALS F	12.800	GR0004155	53,828	87,976
	SPACE WEATHER NEUTRONS	12.800	GR0004360	-	50,139
	NANOSCALE PROBING OF MAGNETOELECTRI	12.800	GR0004650	-	104,648
	INVESTIGATION OF PHOTON-ELECTRON IN	12.800	GR0004659	-	38,873
	FILAMENT ERUPTIONS AND THE SOLAR RA	12.800	GR0004694	-	45,160
	NUMERICAL INVESTIGATION OF ACTIVE F	12.800	GR0004823	-	24,819
			CFDA 12.800 Total	53,828	351,615
	US ARMY WAVELENGTH OBSCURANTS	12.rd	GR0003726	4,790	207,490
	ATTENUATION STRUCTURE OF NORTHEAST	12.rd	GR0004002	-	30,367
	FACILITATED-TRANSPORT ENABLED IN SI	12.rd	GR0004332	177,301	266,048
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004383	-	1,738
	ABUNDANCE AND HABITAT-RELATED PUPFI	12.rd	GR0004394	-	107,091
	WILDLIFE WATER DEVELOPMENTS ON WSMR	12.rd	GR0004427	3,779	4,439
	NATURAL RESOURCES CONSERVATION 16K A	12.rd	GR0004428	408,372	408,431
	NATIONAL REGISTER OF HISTORIC PLACE	12.rd	GR0004430	25,608	25,608
	WHITE SANDS PUFFISH HABITAT MANAGEM	12.rd	GR0004431	8,595	10,099
	WSMR BAT PLANNING LEVEL SURVEYS	12.rd	GR0004432	56,526	61,379
	WHITE SANDS PUFFISH MANAGEMENT ENVI	12.rd	GR0004433	10,902	10,902
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004470	16,272	25,672
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004471	-	-
	NM JUMPING MOUSE SURVEYS	12.rd	GR0004517	-	43,263
	GOLDEN EAGLE SURVEYS	12.rd	GR0004518	45,725	45,725
	TRINITY NHL SITE ASSESSMENT	12.rd	GR0004519	4,877	5,636
	NATIONAL REGISTER EVALUATION OF SAL	12.rd	GR0004520	-	-
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004521	-	(2,564)
	HISTORIC ARCHITECT SUPPORT	12.rd	GR0004522	98,131	101,599
	NATIONAL REGISTER EVALUATION OF ARC	12.rd	GR0004523	-	-
	ARCHAEOLOGICAL SUPPORT FOR PRESCRIB	12.rd	GR0004524	-	5,875
	MITIGATION SITE LA76465	12.rd	GR0004612	52,128	53,011
	WILDLAND FIRE MANAGEMENT PLAN	12.rd	GR0004613	-	8,051
	MIGRATORY BIRD SURVEY	12.rd	GR0004614	23,561	29,436
	AQUATIC INVERTEBRATE SURVEY	12.rd	GR0004615	50,367	53,291
	CULTURAL PLANNING LEVEL SURVEYS	12.rd	GR0004616	27,948	27,621
	BAT GATES AND CUPOLAS AT VICTORIO P	12.rd	GR0004617	3,529	5,270
	EVALUATE WILDLIFE HABITAT FOR SPARK	12.rd	GR0004622	-	6,094
	NATURAL RESOURCES CONSERVATION ON W	12.rd	GR0004634	-	28,536
	NORTHERN APLOMADO FALCON AT	12.rd	GR0004665	13,160	15,410
	FY15 NAT RESOURCES CONSERVAT WSMR	12.rd	GR0004715	172,756	202,825
	SCALED QUAIL ECOLOGY ON WSMR	12.rd	GR0004766	-	61,926
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004770	9,748	11,454
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004771	157,250	174,887
	PRESCRIBED BURN PLS ON WSMR	12.rd	GR0004796	90,704	94,108
	IMPLEMENTING AVIATION PROTECTION PLA	12.rd	GR0004797	15,752	15,783
	SALT CEDAR PLS	12.rd	GR0004799	27,062	29,232
	LARGE ARCH SURVEY ON WSMR	12.rd	GR0004801	564,690	626,355
	HISTORIC CONTEXT PLS ON WSMR	12.rd	GR0004802	66,181	78,181
	CULTURAL RESOURCES CONSERVATION SUP	12.rd	GR0004805	120,861	125,236
	YELLOW-BILLED CUCKOO ON WSMR	12.rd	GR0004806	15,463	18,169
	NATURAL RESOURCES CONSERVATION ON W	12.rd	GR0004807	114,592	127,210
	BURRIS VALLEY SURVEYS	12.rd	GR0004808	77,389	81,764
	SOUTHWESTERN WILLOW FLYCATCHER SURV	12.rd	GR0004809	19,063	21,808
	TULAROSA SPRINGSNAIL PLANNING LEVEL	12.rd	GR0004810	67,100	71,475
	RED CANYON RANGE SURVEYS	12.rd	GR0004811	56,917	61,292
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004889	10,254	12,049
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004890	18,976	22,297
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004891	96,280	100,655
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004892	38,159	42,534
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004895	8,511	10,000
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004900	22,198	26,083
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004902	12,766	15,000
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004903	9,578	20,772
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004905	-	36,912
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004906	17,790	17,790
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0004908	842	989
	NM BEST ROBOTICS	12.rd	GR0004940	-	12,484
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005008	13,160	15,463
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005009	9,748	9,748
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005010	42,206	42,206
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005038	-	8,198
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005109	125,690	125,690

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	GR0005137	2,437	2,864
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005145	23,065	27,101
	NAT RESOURCES CONSERVATION WSMR	12.rd	GR0005146	20,787	24,425
	NATURAL RESOURCES CONSERVATION ON W IOVSA FY10-FY15	12.rd	GR0005158	29,167	34,272
	ARDEC TELEMETRY SUPPORT	12.rd	GRP001135	633,963	13,545,549
	IPA-KING	12.rd	GRP001193	-	483,430
	ASTROLABE MAINT FY14	12.rd	GRP001207	-	8,869
	1254 IOVSA	12.rd	GRP001214	-	59,898
	1257 NGA ASTROLABE	12.rd	GRP001254	65,621	3,281,344
	1262 ATMOSPHERIC MOD	12.rd	GRP001257	-	7,660
	GRP1267 VIRGINIA CONTRACTING	12.rd	GRP001262	-	64,884
	ASTROLABE MAINT FY14	12.rd	GRP001267	-	118,420
	1257 NGA ASTROLAB	12.rd	GRP011214	-	23,405
		12.rd	GRP011257	-	30,127
	DOD DIRECT			4,045,823	27,188,112
Stanford University	HIGH PERFORMANCE COMPUTING RESEARCH	12.431	W911NF-07-2-0027	-	290,953
	CFDA 12.431 Total			-	290,953
Wright State University University of Dayton Research Institute University of Arizona	FLOW CHARACTERIZATION AND ADJOINT BAWAVE OPTICS OF DEEP ATMOSPHERIC TUREFFECTS OF STRUCTURAL MOTION ON SEPIVESTIGATION OF 3D SHOCK-BOUNDARY	12.800 12.800 12.800 12.800	FA9550-12-1-0071 FA9550-12-1-0449 FA9550-14-1-0184 N/A	- - - -	27,344 56,934 19,227 10,030
	CFDA 12.800 Total			-	113,535
IAP Research Inc	IAP TESTS IN ECBC LARGE CHAMBER	12.910	W911SR-11-C-0041	-	19,267
	CFDA 12.910 Total			-	19,267
BAE Systems Physical Sciences, Inc. i2C Solutions, LLC Chemring Detection Systems, Inc. Science and Technology Corporation i2C Solutions, LLC ITT Exelis Inc. L-3 Communications Telemetry East Secotec Inc Boeing Mesa Teledyne Brown Engineering, Inc. Dynetics Inc Integrity Applications Incorporated New Mexico National Guard Lockheed Martin Shared Svcs L-3 Communications Telemetry East Research and Engineering Development LLC Dynetics Inc	REDUCED-ORDR MODEL FLAPPING WINGMETAL COATED FIBER ANALYSES VARIABLE GRAVITY TWO-PHASE HEAT SINTANDEM DIFFERENTIAL MOBILITY SPECTRSTC THEORETICAL MODELING AND LAB MEENHANCED BOILING IN TGPS ITT EXELIS LANCE MISSILE TARGET SY 1219 COLEMAN S1005 1235 HDS ENCODER CONFIGURATION BOEING DARPA VXP 1B 1245 SUB 955725DELTA 1246 DYNETICS THJOR GRP1250 INTEGRITY 2118-15-NMSU-031 GRP1253 NATIONAL GUARD RAVEN 1259 LOCKHEED FLIGHT UNIT UPGRADE 1260 COLEMAN GRP1261 RED INC-VANILLA AIR 1269 PO AL010405 DYNETICS	12.rd 12.rd	W911NF-08-2-0004 W911SR-14-C-0024 N/A w911sr-14-c-0041 W911SR-10-D-0011-0003 FA9451-15-C-0420 W9113M-05-C-0219 FA8818-08-D-0038 HQ0276-11-C-0001 N/A W9113M-14-D-0005 W31P4Q-13-D-A002-012 HHM402-11-C-0033 N/A N/A N/A N/A N/A W31P4Q-13-D-A002-017	47,618 -	140,660 107,103 2,779 259,307 121,566 431 (16,164) (15,352) 4,404 - 437,829 146,181 163,237 4,912 30,823 - 51,165 12,735
	DOD PASS THRU			47,618	1,875,371
	DEPARTMENT OF DEFENSE (DOD) Total			4,093,441	29,063,483
NATIONAL SCIENCE FOUNDATION (NSF)					
	CMMI-1131290	47.041	GR0003728	-	95
	UNMANNED SYSTEMS	47.041	GR0003743	-	(490)
	OPTICAL MIMO AND HYBRID COMMUNCIATI	47.041	GR0004013	-	44,904
	COLLABORATIVE RESEARCH: THE EFFECT	47.041	GR0004288	-	77,097
	BRIGE: ASPRIE-DATA: ADVANCING SCIEN	47.041	GR0004294	-	9,060
	COLLABORATIVE RESEARCH: HEAT-INDUCE	47.041	GR0004484	-	27,977
	EAGER: EXPERIMENTAL INVESTIGATION O	47.041	GR0004567	-	11,852
	COLLABORATIVE RESEARCH: CCSS: LOW-C	47.041	GR0004568	-	62,043
	COLLABORATIVE PROPOSAL: USING LEAN	47.041	GR0004640	-	83,141
	GARDE: TRACKABLE INTERACTIVE MULTIM	47.041	GR0004656	-	78,770
	I-CORPS: A NEW MULTI-DOF REDUCED-GR	47.041	GR0004686	-	20,053
	I-CORPS: HYBRID MATERIAL	47.041	GR0004786	-	23,015
	MATERIALS FOR CO2 CAPTURE	47.041	GR0004946	-	37,241
	COLLABORATIVE RESEARCH:SOLAR CHIMNE	47.041	GR0004949	-	7,988
	NON-WEIGHTED DIGITAL CIRCUITS LOW P	47.041	GR0004956	-	36,340
	WARP WIDE AREA ASSISTED RESILIENT	47.041	GR0004982	-	24,632
	I-CORPS: A NOVEL, ECO-FRIENDLY ESSE	47.041	GR0005015	-	33,069
	I-CORPS SITES: NEW MEXICO STATE UNI	47.041	GR0005097	-	23,723
	NSF I-CORPS: PORTABLE WATER PURIFIC	47.041	GR0005173	-	20,289
	I-CORPS: NEW SELECTIVE OXIDATION CA	47.041	GR0005178	-	15,546
	CFDA 47.041 Total			-	636,345
	AST-0908126	47.049	GR0003025	-	(196)
	NSF/CHE CARBON NANSTRUCTURES	47.049	GR0003687	-	1,143
	CHEMICAL CARTOGRAPHY IN THE MILKY W	47.049	GR0003713	-	16,016
	INVESTIGATION OF LIQUID CRYSTALLINE	47.049	GR0003729	-	3,642
	TOWARDS ASCERTAINING THE ORIGINS OF	47.049	GR0004015	-	67,416
	METAL-BASED ELECTRON TRANSFER PROCE	47.049	GR0004018	-	41,803
	CHEMICAL ORTHOGONALITY IN TANDEM DI	47.049	GR0004271	-	68,335
	2013-2014 LANSCE SCHOOL ON NEUTRON	47.049	GR0004301	-	6,800
	COLLABORATIVE RESEARCH: BRANCHING M	47.049	GR0004500	-	31,906
	COLLABORATIVE RESEARCH: NEW FORMULA	47.049	GR0004513	-	28,962
	EAGER: NOVEL RARE EARTH MITAL OXSUL	47.049	GR0004569	-	95,087
	DEGENERATE DIFFUSION IN COMPLEX AMP	47.049	GR0004576	-	17,868
	SCANNING ELECTROCHEMICAL MICROSCOPY	47.049	GR0004587	-	58,718
	CAREER: SYNTHETIC STRATEGIES FOR TH	47.049	GR0004749	-	62,075
	NSF/IN SITU LIPOPHILE LABELING IN L	47.049	GR0004855	-	94,667

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					
	COLLABORATIVE RESEARCH: CIRCUMGALAC	47.049	GR0004922	-	74,415
	NSF DMR-1505172	47.049	GR0004963	-	47,678
	CAREER: NSF 1555376	47.049	GR0005117	-	27,008
			CFDA 47.049 Total	-	743,343
	NSF INDEPTH IV EAR-0409870	47.050	GR0002189	-	70,262
	CAREER: INSPIRE- AN INTEGRATED SOLA	47.050	GR0004287	-	139,329
	MRI: ACQUISITION OF A MC-ICP-MS AT N	47.050	GR0004295	-	4,033
	CAREER: NEW CONSTRAINTS ON THE SOLA	47.050	GR0004444	-	35,951
	SEDIMENT RECYCLING IN SOUTHERN CAS	47.050	GR0004879	-	16,448
	COLLAB RESEARCH: NEW APPR DETRITAL	47.050	GR0005182	-	83
			CFDA 47.050 Total	-	266,106
	BRAINWAVE MEASUREMENT	47.070	GR0003636	22,033	185,403
	CYBERINFRASTRUCTURE FOR SCALABLE	47.070	GR0003775	5,374	137,517
	CREATIV: TOWARDS UBIQUITOUS ADOPTIO	47.070	GR0003989	-	174,467
	MRI: ACQUIS INSTRUMENT RESRCH PARAL	47.070	GR0004390	-	-
	COLLABORATIVE RESEARCH: BPEC: YO-GU	47.070	GR0004626	-	65,325
	BSF: 2014012: ROBUST SOLUTIONS FOR	47.070	GR0004897	-	11,662
	CC*DNI ENGINEER:ENABLING RESEARCH	47.070	GR0005070	-	6,020
	CRII: CSR: TOWARDS PINPOINTING THE	47.070	GR0005077	-	8,322
	REU: SITE: BIGDATA - BIG DATA ANALY	47.070	GR0005131	-	57,809
	CAREER: DECENTRALIZED CONSTRAINT-BA	47.070	GR0005147	-	5,660
			CFDA 47.070 Total	27,407	652,185
	NSF DBI-0964127	47.074	GR0003285	-	(14,635)
	NSF DEB-0953864	47.074	GR0003358	-	17,520
	NSF MCB-1051453	47.074	GR0003618	-	47,016
	PROCESSES AND PATTERNS IN THE NORTH	47.074	GR0003653	-	119,299
	CAREER: FLUORESCENCE LIFETIME	47.074	GR0003875	-	26,380
	CAREER: INDIVIDUAL VARIATION IN DIS	47.074	GR0003922	-	100,753
	DIGITIZATION TCN: COLLABORATIVE RES	47.074	GR0003943	-	12,119
	MCA-PGR: A PHYLOGENETICALLY INFORME	47.074	GR0004163	-	183,836
	LTER VI: JORNADA BASIN	47.074	GR0004167	-	710,509
	COLLABORATIVE RESEARCH: G PROTEIN	47.074	GR0004510	-	176,748
	EAGER: SCIENCE IN THE TIME OF BIG D	47.074	GR0004601	-	44,575
	COLLABORATIVE RESEARCH: ABI DEVELOP	47.074	GR0004815	-	72,840
			CFDA 47.074 Total	-	1,496,960
	CNH: ACEQUIA WATER SYSTEMS LINKING	47.075	GR0003450	44,573	230,688
			CFDA 47.075 Total	44,573	230,688
	DUE-0934919	47.076	GR0003059	-	149,139
	MATH SNACKS; ADDRESSING GAPS IN CON	47.076	GR0003080	5,000	43,770
	NSF DGE-0947465	47.076	GR0003403	-	474,327
	GRADUATE RESEARCH FELLOWSHIP PRGM F	47.076	GR0003865	-	164,282
	COLLABORATIVE RESEARCH: INTEGRATING	47.076	GR0003929	-	17,585
	NM AMP SENIOR LEVEL ALLIANCES	47.076	GR0004346	123,540	638,125
	NM AMP SENIOR LEVEL ALLIANCES	47.076	GR0004346	-	4,073
	ICREDITS: INTERDISCIPLINARY CENTER	47.076	GR0004460	22,166	772,224
	COLLAB RESEARCH: RUI: TRANSFORMING	47.076	GR0004921	-	41,662
	MATH SNACKS FOR EARLY ALGEBRA USING	47.076	GR0004943	-	401,132
			CFDA 47.076 Total	150,706	2,706,319
			NSF DIRECT	222,686	6,731,946
University of Texas	CAHSI	47.041	CNS-1042341	-	30,651
Stanford University	RE-INVENTING AMERICA'S URBAN WATER	47.041	EEC-1028968	-	465,073
	RE-INVENTING AMERICA'S URBAN WATER	47.041	EEC-1262655	-	50,942
Arizona State University	NSF ENGINEERING RESEARCH CENTER FOR	47.041	EEC-1449501	-	347,405
			CFDA 47.041 Total	-	894,071
University of Arizona	ATD: STATISTICAL METHODS FOR FUNCTI	47.049	DMS-1222592	-	1,189
Associated Universities Inc	NRAO STUDENT OBSERVING SUPPORT THEL	47.049	AST-0836064	-	1,207
			CFDA 47.049 Total	-	2,396
University of New Hampshire	SUBAWARD# 11-101	47.050	AGS-1061940	-	18,622
University of Texas	FEASIBILITY STUDY OF THIN FILM EVAP	47.050	OCE-1311735	-	61,668
University of Southern California	MEASURING VENTURA AREA UPLIFT; A FO	47.050	N/A	-	20,302
			CFDA 47.050 Total	-	100,592
Wayne State University Press	ASSESSING THE LEARNING GAINS OF MAN	47.076	DUE-1432284	-	8,000
	ASSESSING THE LEARNING GAINS OF MAN	47.076	DUE-1432284	-	8,225
			CFDA 47.076 Total	-	16,225
University of New Mexico	NM EPSCOR RII 4: ENERGIZE NEW MEXIC	47.080	IIA-1301346	-	574,035
The Board of Trustees of the University of Illinois	LEADERSHIP CLASS SCIENTIFIC AND ENG	47.080	CSA OCI-0725070	-	4,558
			CFDA 47.080 Total	-	578,593
			NSF PASS THRU	-	1,591,877
	NATIONAL SCIENCE FOUNDATION (NSF) Total			222,686	8,323,823
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)	MEDIAL OLIVOCOCHLEAR REFLEX IN CHIL	93.173	GR0005120	-	13,974
			CFDA 93.173 Total	-	13,974

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					
	NANOPOROUS DRUG DELIVERY SYSTEMS	93.286	GR0004213	-	97,895
			CFDA 93.286 Total	-	97,895
	NIH INBRE YR 14	93.389	GR0004515	(9,574)	(21,144)
	NIH INBRE YR 15	93.389	GR0004780	2,258,089	3,043,261
			CFDA 93.389 Total	2,248,515	3,022,117
	PARTNERSHIP FOR THE ADVANCEMENT	93.397	GR0004341	14,561	936,907
			CFDA 93.397 Total	14,561	936,907
	FDA FERN COOPERATIVE AGREEMENT(U18)	93.448	GR0004960	-	253,616
			CFDA 93.448 Total	-	253,616
	CHARACTERIZATION OF AMINO ACID TRANS	93.855	GR0004269	-	377,297
	BACTERIAL COLONIZATION AND IMMUNOGE	93.855	GR0004464	-	301,636
	MECHANISMS OF COMPETITIVE DISPLACEM	93.855	GR0004619	-	114,801
			CFDA 93.855 Total	-	793,734
	15C1GM092297-01A1	93.859	GR0003581	-	68,012
	TOTAL SYNTHESIS AND EVALUATION OF T	93.859	GR0004171	-	78,253
	NIH SCORE METAL ION CHELATORS	93.859	GR0004228	-	103,653
	REPAIR OF DAMAGED CHROMOSOMES MEDIA	93.859	GR0004261	-	237,613
	HEART HEALTHY MICROALGAE? ALGAL PRO	93.859	GR0004491	-	155,445
	CATALYTIC MULTICOMPONENT APPROACH T	93.859	GR0004550	-	119,857
	CHARACTERIZATION OF ACCESSORY FACTO	93.859	GR0004572	-	93,957
	NIH INBRE YR 16	93.859	GR0005123	245,733	470,692
			CFDA 93.859 Total	245,733	1,327,482
	REGULATION OF SPINDLE ORIENTATION A	93.865	GR0004599	-	141,004
	ROLE OF FOXP2 IN NEURAL PLASTICITY	93.865	GR0004938	-	131,831
			CFDA 93.865 Total	-	272,835
	A ROLE FOR A NEPRILYSIN IN NEURONAL	93.867	GR0004588	-	136,807
			CFDA 93.867 Total	-	136,807
			HHS DIRECT	2,508,809	6,855,367
State of New Mexico	RANGE AND DISTRIBUTION OF AEDS AEG	93.074	5U90TP000537-04	-	25,169
			CFDA 93.074 Total	-	25,169
University of Texas	IN SITU-SENSING SYSTEM FOR THE SELE	93.113	1R01ES021951-01	-	(1,905)
			CFDA 93.113 Total	-	(1,905)
Rochester Institute of Technology	LANGUAGE, LEARNING AND COGNITION AM	93.173	1-RO1-DC012317-01	-	50,949
			CFDA 93.173 Total	-	50,949
Colorado State University	QUASISPECIES DYNAMICS IN ARBOVIRUS	93.855	2R01AI067380-07A1	-	21,698
			CFDA 93.855 Total	-	21,698
Regents of the University of Colorado	NIH BRAIN	93.859	1R25GM097633-01	-	77,241
Board of Regents Nevada System of Higher Education	CTR-IN PILOT GRANT: SCREENING AND B	93.859	1U54GM104944-2	-	1,207
	GENOME-WIDE NONPARAMETRIC FUNCTIONA	93.859	1U54GM104944-2	-	510
	STIMULUS FREQUENCY OTOACOUSTIC EMIS	93.859	5U54GM104944-02	-	(817)
	ADVANCED CARE PLANNING FOR OLDER LA	93.859	5U54GM104944-03	-	69,378
	CLINICAL & TRANSLATIONAL IDEA YR3	93.859	5U54GM104944-03	-	38,756
Regents of the University of Colorado	NIH BRAIN	93.859	2r25ns080685-06	-	78,147
			CFDA 93.859 Total	-	264,422
			HHS PASS THRU	-	360,333
	NIH 1R15EB012013-01	93.701	GR0003270	-	(6,745)
			HHS ARRA	-	(6,745)
	DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total			2,508,809	7,208,955
DEPARTMENT OF AGRICULTURE (USDA)					
	DISTRIBUTION& HABITAT SELECTION EAG	10.001	GR0003646	-	13,078
	USDA 58-1275-1-333	10.001	GR0003761	-	803
	INTEGRATION OF SCIENTIFIC AND LOCAL	10.001	GR0004119	-	406,156
	MANAGEMENT TECHNOLOGIES FOR WESTERN	10.001	GR0004177	-	1,582,302
	DEVELOPMENT AND IMPLEMENTATION OF A	10.001	GR0004320	-	138
	ACQUISITION OF GOODS AND SERVICES	10.001	GR0004506	-	746
	A POTENTIAL NEW DUST SOURCE IN THE	10.001	GR0004560	-	13,298
	REGENERATIONS OF SHORT-DAY ONIONS	10.001	GR0004632	-	28,509
	ACQUISITION OF GOODS AND SERVICES	10.001	GR0004828	-	193,039
	COTTON GIN UNIT ACQU GOODS SERVICES	10.001	GR0004849	-	16,552
	PECAN ROOTSTOCK CULTIVAR: IMPLICATI	10.001	GR0004962	-	5,005
	MANAGING AGRICULTURAL LANDSCAPES	10.001	GR0004987	-	67,782
			CFDA 10.001 Total	-	2,327,408
	RUSSIAN KNAPEWEED BIOLOGICAL CONTROL	10.025	GR0004723	-	27,884
	YELLOW AND MALTA STARHISTLE BIOLOG	10.025	GR0004917	-	14,110
	LEAFY SPURGE BIOLOGICAL CONTROL	10.025	GR0004918	-	8,627
			CFDA 10.025 Total	-	50,621
	ENHANCING SURGE CAPACITY FOR NEMATO	10.028	GR0004664	-	39,013
	ENHANCING SURGE CAPACITY FOR NEMATO	10.028	GR0004980	-	38,287
			CFDA 10.028 Total	-	77,300

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					
	15/18 USDA SPECIALTY CROP BLCK GRNT	10.170	GR0005048	-	12,523
			CFDA 10.170 Total	-	12,523
	MCINTIRE STENNIS FED APPR FY15	10.200	GR0004610	-	98,470
	MULTI STATE FED APPROP FY15	10.200	GR0004611	-	212,654
	MCINTIRE STENNIS FED APPR FY16	10.200	GR0004972	-	162,825
	MULTI STATE FED APPROP FY16	10.200	GR0004973	-	325,552
			CFDA 10.200 Total	-	799,501
	HATCH FED APPROP FY 15	10.203	GR0004609	-	598,960
	HATCH FED APPROP FY 16	10.203	GR0004971	-	953,108
			CFDA 10.203 Total	-	1,552,068
	ANIMAL HEALTH FEDERAL APPROPRIATION	10.207	GR0004608	-	23,236
	ANIMAL HEALTH FED APPROPRIATION 16	10.207	GR0004970	-	14,085
			CFDA 10.207 Total	-	37,321
	SUSTAINABLE USE OF BIOMASS RESOURCE	10.210	GR0004896	-	5,937
			CFDA 10.210 Total	-	5,937
	STRENGTHENING PUBLIC CORN BREEDING	10.307	GR0003668	-	(3,382)
	BREEDING NON-COMMODITY CORN FOR ORG	10.307	GR0004773	-	127,528
			CFDA 10.307 Total	-	124,146
	DISEASE MARKERS MYCOBACTERIUMUM BO	10.310	GR0004396	6,112	70,407
	CIRCLES OF LIVE BUFFER STRIPS IN	10.310	GR0005113	-	4,785
			CFDA 10.310 Total	6,112	75,192
	MONITORING/VALLES CALDERA	10.679	GR0003801	-	2,680
			CFDA 10.679 Total	-	2,680
	CONSERVATION OF BLISTER RUST RESIST	10.680	GR0004409	-	546
			CFDA 10.680 Total	-	546
	USDA FOREST SVC 11-DG-11132762-318	10.684	GR0003772	-	904
	GENETIC TOOLS FOR LACEY ACT ENFORCE	10.684	GR0004822	-	15,657
			CFDA 10.684 Total	-	16,561
	ASSESSING AND MONITORING BIODIVERSI	10.902	GR0004345	-	(1,118)
	COOPERATIVE AGREEMENT NMSU & NRCS	10.902	GR0004945	9,051	20,000
			CFDA 10.902 Total	9,051	18,882
	USDA NCRS # 67-8C30-10-001	10.905	GR0003464	-	2,470
	LOS LUNAS PLANT MATERIALS CENTER	10.905	GR0004898	-	128,712
			CFDA 10.905 Total	-	131,182
	LANDSCAPE SCALE PATTERNS OF FIRE AN	10.rd	GR0004229	-	9,729
	RUSSIAN KNAWWEED BIOLOGICAL CONTROL	10.rd	GR0005073	-	4,734
			USDA DIRECT	15,163	5,246,331
Kansas State University	CANOLA FOR THE GREAT PLAINS	10.200	2013-38624-21525	-	32,078
	DEVELOPMENT AND MANAGEMENT OF CANOL	10.200	N/A	-	11,144
			CFDA 10.200 Total	-	43,222
Utah State University	IMPLEMENTATION OF GENETIC SELECTION	10.215	2014-38640-22175	1,052	18,955
			CFDA 10.215 Total	1,052	18,955
University of Idaho	RANGELAND EDUCATION NIFA	10.217	2010-34811-21370	-	6,975
			CFDA 10.217 Total	-	6,975
University of Texas	REGIONAL ENERGY & EDUCATION NETWORK	10.223	2011-38422-30803	-	120,659
	COLLABORATIVE INTEGRATION OF USDA-R	10.223	N/A	-	60,567
	WHEELS OF CHANGE: A CONSORTIUM TO	10.223	2015-35422-24112	-	57,651
	IFSEEN- INTEGRATING FOOD SCIENCE/EN	10.223	2015-38422-24059 (03)	-	38,805
			CFDA 10.223 Total	-	277,682
Dine College	NATIVE AND NON-NATIVE AGAVE, OPUNTI	10.227	2012-38424-19746	-	251
	AN INTERVENTION TO PROMOTE NAVAJO G	10.227	2015-38424-22671	-	28,269
	TRADITION NAVAJO FOOD & FIBER CROP	10.227	2015-38424-24052	-	20,166
			CFDA 10.227 Total	-	48,686
Regents University of California Davis	DEVELOPMENT AND EVALUATION OF A BI	10.303	2012-51120-20087	-	7,279
	SA-12-1443 SUTHERLAND-NMSU UC DAVIS	10.303	2012-51120-20087	-	10,290
			CFDA 10.303 Total	-	17,569
University of Georgia	SYSTEMS APPROACH AT IMPROVING THELO	10.309	2011-51181-30674	-	85,367
			CFDA 10.309 Total	-	85,367
Texas A&M Research Foundation	TAMU CONSORTIUM	10.310	2011-68004-30367	-	86,989
University of Florida	SYSTEMS APPROACH TO IMPROVING ABIOT	10.310	2013-67013-21108	-	34,074
University of Texas	SUSTAINABLE WATER MANAGEMENT FOR IR	10.310	2015-68007-23130	-	58,464
Texas A&M University	SALUD PARA USTED Y SU FAMILIA: FAMI	10.310	2015-68001-23234	-	220,079
			CFDA 10.310 Total	-	399,606
Texas Tech University	DEVELOPMENT OF SAFFLOWER AS A NEW B	10.320	2010-3852-21836	-	1,237
			CFDA 10.320 Total	-	1,237
Regents University Of California Santa Barbara	INTEGRATING MECHANICAL OR CHEMICAL	10.329	2014-70006-22629	-	3,991

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					
			CFDA 10.329 Total	-	3,991
Regents University of California Davis	SUSTAINING ALFALFA PRODUCTION IN TH	10.330	2014-70005-22537	-	52,476
			CFDA 10.330 Total	-	52,476
Oklahoma State University	NIFA PRIORITY AREAS: DRIVERS FOR CO	10.460	14-IE-53102-038	-	585
			CFDA 10.460 Total	-	585
Michigan State University	CAPE: COMMUNITY ASSESMENT AND EDUCA	10.500	2013-48765-21544	-	11,863
			CFDA 10.500 Total	-	11,863
State of New Mexico	TREE IMPROVEMENT AND FORESTATION PL	10.680	N/A	-	10,612
			CFDA 10.680 Total	-	10,612
Pheasants Forever Inc. and Quail Forever	RESPONSE OF LESSER PRAIRIE CHICKENS	10.902	68-3A75-14-120	-	84,978
			CFDA 10.902 Total	-	84,978
			USDA PASS THRU	1,052	1,063,804
	DEPARTMENT OF AGRICULTURE (USDA) Total			16,215	6,310,135
DEPARTMENT OF ENERGY (DOE)					
	DOE DE-FG02-08ER15996 N-H BOND FORM	81.049	GR0002808	3,984	3,984
	DE-FG02-96ER40965 DOE	81.049	GR0004494	-	134,732
	DOE DE-FG92-94ER40847	81.049	GR0004830	-	456,714
			CFDA 81.049 Total	3,984	595,430
	HYDROPOWER ENERGY RESOURCE (HYPER)	81.087	GR0003941	-	(5,729)
	REALIZATION OF ALGAE POTENTIAL REAP	81.087	GR0004358	-	4,868
			CFDA 81.087 Total	-	(861)
	CEMRC WIPP-EM	81.104	GR0004357	-	2,568,243
			CFDA 81.104 Total	-	2,568,243
	DEVELOPMENT OF ADDITIVE MANUFACTURI	81.rd	GR0005118	-	584
	SYSTEM LONG TERM EXPOSURE	81.rd	GR0005127	-	1,015
			DOE DIRECT	3,984	3,164,411
UT-Battelle LLC	INNOVATIVE PROTON CONDUCTIVE MEMBRA	81.049	DE-AR0000651	-	32,122
			CFDA 81.049 Total	-	32,122
Battelle Memorial Institute	IMPROVED HYDROTHERMAL LIQUEFACTION	81.079	DE-AC05-76RL01830	-	118,090
			CFDA 81.079 Total	-	118,090
University of Arizona Arizona State University	RAFT REGIONAL ALGALFEEDSTOCK TESTBE	81.087	DD-EE0006269	-	279,962
	REALIZATION OF ALGAE POTENTIAL REAP	81.087	DE-EE0006316	-	176,641
			CFDA 81.087 Total	-	456,603
InnoSeptra Western Research Institute	DETERMINATION OF ADSORPTION PROPERT	81.089	DE-FE0007948	-	2,719
	SORBENT-BASED OXYGEN PRODUCTION FOR	81.089	DE-FE0024075	-	22,822
			CFDA 81.089 Total	-	25,541
Argonne National Laboratory Los Alamos National Security LLC Nuclear Waste Partnership LLC Sandia Corporation Los Alamos National Security LLC	INVESTIGATION OF ELECTRODE-ELECTROL	81.rd	DE-AC02-06CH11357	-	13,501
	LANL 82028-001-10	81.rd	DE-AC52-06NA25396	-	(10,797)
	IN-VIVO RADIOBIOASSAY SERVICES	81.rd	DE-EM-0001971	-	9,450
	ADVISORY SERVICES	81.rd	DE-AC04-94AL85000	-	8,619
	LUJAN NEUTRON SCATTERING CENTER AT	81.rd	DE-AC52-06NA25396	-	64,875
	ATTENUATION STRUCTURE OF NORTHEAST	81.rd	DE-AC52-06NA25396	-	3,602
	ADVANCING WEB-BAED TOOL FOR UNCONVE	81.rd	DE-AC26-07NT42677	-	31,864
Colorado School of Mines Los Alamos National Security LLC Nuclear Waste Partnership LLC Sandia Corporation	LANSCE PROFESSORSHIP WITH NMSU AT T	81.rd	DEC-AC52-06NA25396	-	144,569
	CEMRC VOC/HM ANALYSIS	81.rd	N/A	-	987
	FLUID POLYMER BILAYER MATICES: TOWA	81.rd	N/A	-	2,784
	ENERGY DELIVERY-GRADUATE RESEARCH P	81.rd	N/A	-	33,935
	ENERGY DELIVERY-GRADUATE RESEARCH P	81.rd	N/A	-	27,518
	QUANTUM ELECTRONIC PHENOMENA	81.rd	N/A	-	23,450
	ELECTRICALLY INJECTED NANOWIRE LASE	81.rd	N/A	-	5,837
Sandia National Laboratories	1264 SANDIA BATTERIES	81.rd	N/A	-	16,074
	1270 SANDIA BATTERIES	81.rd	N/A	-	1,706
	FOUNDATIONS FOR PROTECTING RENEWABL	81.rd	N/A	-	40,590
Los Alamos National Security LLC	ACTINIDE CHEMISTRY RESEARCH IN SUPP	81.rd	DE-AC52-06NA25396	-	332,010
	CXDI EXPERIMENTAL SYSTEMS	81.rd	DEC-AC52-06NA25396	-	27,427
	LANL ULTRAFASD DYNAMICS OF MAGNETIC	81.rd	DEC-AC52-06NA25396	-	23,175
	EFRC/CASP: SEMICONDUCTOR QUANTUM DO	81.rd	DEC-AC52-06NA25396	-	61,090
Battelle Memorial Institute Los Alamos National Security LLC Nuclear Waste Partnership LLC	RESERVOIR-STIMULATION OPTIMIZATION	81.rd	N/A	-	10,332
	2015 ANNUAL INSPECTION OF LOS ALAMO	81.rd	AC52-06NA25396	-	29,252
	VOLATILE ORGANIC COMPOUND HYDROGEN	81.rd	DE-EM-0001971	-	126,041
	DIRECT IN-VO RADIOBIOSSAY FOR NWP	81.rd	N/A	-	28,399
Los Alamos National Security LLC	ACCELERATOR BASED NEUTRINO PHYSICS	81.rd	DE-AC52-06NA25396	-	37,069
	LUJAN NEUTRON SCATTERING CENTER AT	81.rd	DE-AC52-06NA25396	-	73,582
	PERFORM PHENIX RUN 15 P+A DATA ANAL	81.rd	N/A	-	9,375
Sandia Corporation Los Alamos National Security LLC	SANDIA AIS SUPPORT	81.rd	DE-AC04-94AL85000	-	6,739
	1236 RADIO SCIENCE	81.rd	DE-AC52-06NA25396	-	21,881
			DOE PASS THRU	-	1,837,292
	DEPARTMENT OF ENERGY (DOE) Total			3,984	5,001,703
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)					
	NASA TRAINING GRANT ANNOUNCEMENT	43.001	GR0003400	-	23,554

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Name of Program / Agency	Award Title	CFDA Number	Grant Code	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM					
	RESEARCH OPPORTUNITIES IN SPACE	43.001	GR0003964	-	27,267
	UPPER ATMOSPHERE CHEMISTRY AND NIGH	43.001	GR0003994	-	3,142
	UNDERSTANDING MARS' VERTICAL TEMPER	43.001	GR0004003	-	6,548
	ROSES 2012 OSCILLATIONS IN THE SOLA	43.001	GR0004151	32,856	71,824
	THE ORIGIN OF THE HIGH-ENERGY SOLAR	43.001	GR0004564	-	2,290
	THE NEW ROLE OF DATA ASSIMILATION I	43.001	GR0004580	-	29,904
	MEASUREMENT OF N-NITROSODIMETHYLAMI	43.001	GR0004624	-	89,014
	ROSES 2013 ANALYSIS OF PULSATING RE	43.001	GR0004646	-	94,946
	EXPLORING IMPACT HEATING OF EARLY	43.001	GR0004953	-	43,598
	NASA NNX15AW51G GUEST OBSERVER CYC1	43.001	GR0004994	-	2,861
	THE ATMOSPHERES DISCIPLINE NODE OF	43.001	GR0005083	-	294,033
			CFDA 43.001 Total	32,856	688,981
	NASA NNX09AV90G	43.002	GR0003151	-	381,432
	NNX11A080A	43.002	GRP001173	-	110,396
			CFDA 43.002 Total	-	491,828
	SUBORBITAL TEST OF A ROBOTICS-BASED	43.007	GR0004009	-	1,550
	WASTE PROCESSING WITH PYROLYSIS TO	43.007	GR0004932	-	28,090
			CFDA 43.007 Total	-	29,640
	EPSCOR MINORITY SERVING INSTITUTION	43.008	GR0003985	342	156
	NEW MEXICO NASA EPSCOR RESEARCH INF	43.008	GR0004096	15,795	86,942
	NASA SPACE TECHNOLOGY RESEARCH FELL	43.008	GR0004266	-	60,887
	JOVIAN INTERIORS FROM VELOCIMETRY E	43.008	GR0004673	25,537	201,680
	NEW MEXICO NASA EPSCOR RESEARCH INF	43.008	GR0004842	2,112	26,918
	ICE AT THE MOON'S SOUTH POLE PARTIC	43.008	GR0004920	-	8,375
	THE CHEMICAL HISTORY & EVOLUTION OF	43.008	GR0004954	-	42,368
	NASA NNX15AM73A VIRTUAL TELESCOPE	43.008	GR0004976	15,920	45,195
			CFDA 43.008 Total	59,706	472,521
	NATIONAL SPACE GRANT STUDENT LAUNCH	43.009	GR0004366	76,199	138,529
			CFDA 43.009 Total	76,199	138,529
	NATIONAL SPACE GRANT COLLEGE & FELL	43.rd	GR0004899	47,500	109,316
	NASS-03003 NASA	43.rd	GRP000904	-	793,374
			NASA DIRECT	216,261	2,724,189
NorthWest Research Associates, Inc.	COLLABORATION UNDER PHOTOSPHERIC PR	43.001	NNH12CG10C	-	16,312
			CFDA 43.001 Total	-	16,312
US Department of Interior	INFORMATION TECHNOLOGY EXPERIENCES	43.308	NNX14AJ99A	-	49,121
			CFDA 43.308 Total	-	49,121
Space Telescope Science Institute	A BREAKAWAY FROM INCREMENTAL SCIENC	43.rd	N/A	-	53,891
	H-ALPHA LEGUS: UNVEILING THE INTERP	43.rd	N/A	-	4,261
	THE CANDELS LYMAN-ALPHA EMISSION AT	43.rd	N/A	-	6,923
California Institute of Technology	DATA ANALYSIS FOR VOYAGER 1	43.rd	N/A	-	9,781
	KECK PI DATA AWARD 2014A-30 "IDENTI	43.rd	NNN12AA01C	-	6,501
	FIELD TESTING OF ROCK CLIMBING ROBO	43.rd	NNN12AA01C	-	4,038
	A EUROPA CUBESAT CONCEPT FOR MEASUR	43.rd	N/A	-	5,178
	FREECLIMBER: ANALYZING STEEP TERRAI	43.rd	NNN12AA01C	-	50,446
	VOYAGER STUDIES CONTINUED	43.rd	N/A	-	10,355
Orbital Science Corporation	SUPPORT OF NSROC II	43.rd	NGG10WA17C	-	418,019
	1239 OSC CSBF	43.rd	NGG15WA53C	-	440,594
ITT Exelis Inc.	1244 SUB 2712-15-86	43.rd	NGG09DA01C	-	59,254
			NASA PASS THRU	-	1,134,674
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) Total			216,261	3,858,863
DEPARTMENT OF INTERIOR (DOI)					
	MEASURING SCALED QUAIL DEMOGRAPHY A	15.231	GR0004074	-	114
	LESSER PRAIRIE CHICKEN MANAGEMENT A	15.231	GR0004194	-	2,337
	AREA BASED QUALITY INDEX MOJAVE/SON	15.231	GR0005025	-	12,279
			CFDA 15.231 Total	-	14,730
	CESU- STUDY OF THE GEOLOGY OF NLCS	15.238	GR0004061	-	4,001
	INVESTIGATION, EVALUATION AND INTER	15.238	GR0005039	-	10,657
			CFDA 15.238 Total	-	14,658
	US DOI/BOR R10AC80283	15.506	GR0002841	-	97,029
	PILOT-SCALE TESTING OF MONOVALENT P	15.506	GR0004663	130,505	231,549
	R16AC00002, CENTER FOR THE DEVELOPM	15.506	GR0005116	-	50,417
			CFDA 15.506 Total	130,505	378,995
	PREDATION RATES AND USE OF HABITATS	15.650	GR0004730	-	59,477
	PREDATION RATES & USE HABITATS II	15.650	GR0005124	-	3,551
			CFDA 15.650 Total	-	63,028
	DEMOGRAPHY AND SEASONAL MOVEMENT PA	15.655	GR0004219	-	10,835
	GREATER SANDHILL CRANE ECOL / DEMO	15.655	GR0004369	-	65,088
			CFDA 15.655 Total	-	75,923
	AMERICAN PRONGHORN POPULATION ASSMT	15.657	GR0004233	-	129
			CFDA 15.657 Total	-	129

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					
	DOI/USGS G08AC00056	15.805	GR0002840	-	33,442
	WRRRI PROGRAM	15.805	GR0003622	29,705	96,842
	GROUNDWATER EXPLORATION, ASSESSMENT	15.805	GR0004191	-	10,587
	DROUGHT IN THE WEST: ELEMENTS OF SU	15.805	GR0004919	-	37,587
	WRRRI 104 B PROGRAM	15.805	GR0005114	-	7,172
			CFDA 15.805 Total	29,705	185,630
	REFINING ESTIMATES OF LATE QUATERNA	15.807	GR0004756	-	73,388
			CFDA 15.807 Total	-	73,388
	MONITORING AND FORECASTING CLIMATE,	15.808	GR0004403	-	21,710
			CFDA 15.808 Total	-	21,710
	MAPPING BIODIVERSITY METRICS	15.812	GR0003553	-	738
	CLIMATE INFLUENCED STRESSORS TROUT	15.812	GR0003900	-	(27)
	POPULATION DYNAMICS AND REINTRODUCT	15.812	GR0003923	-	42,296
	SEASONAL ECOLOGY OF PECOS PUFFISH I	15.812	GR0003927	1,091	37,885
	MEASURING SCALED QUAIL DEMOGRAPHY A	15.812	GR0003996	-	1,251
	INVESTIGATING IMPACTS OF ENERGY DEV	15.812	GR0004196	-	22,501
	CRP HABITAT BY THE LESSER PRAIRIE-C	15.812	GR0004275	-	8,063
	MODELING THE EFFECTS OF CLIMATE CHA	15.812	GR0004276	4,302	48,770
	ASSESSMENT OF DROUGHT IMPACTS ON SE	15.812	GR0004279	-	44,717
	MULTI-SCALE BIODIVERSITY METRIC MAP	15.812	GR0004505	-	106,611
	VALIDATION OF MOLECULAR SCREENING T	15.812	GR0004563	-	53,007
	AN ASSESSMENT OF THE LANDSCAPE GENE	15.812	GR0004593	10,901	52,544
	EVALUATING ADAPTIVE CAPACITY OF DES	15.812	GR0004721	-	75,951
	IMPACT OF DROUGHT ON SW CUTTHROAT T	15.812	GR0004893	-	59,582
	EFFECTS OF WILDFIRE & FOREST RESTOR	15.812	GR0004914	-	4,968
	ASSESSMENT OF GENETIC STRUCTURE OF	15.812	GR0004915	-	2,468
	INVESTIGATION INTO THE CONTROL FERA	15.812	GR0004957	-	9,727
	INFLUENCE OF STREAM TEMPERATURE, IN	15.812	GR0005161	-	7,326
	ASSESSING THE RESPONSE OF LESSER PR	15.812	GR0005172	-	4,881
			CFDA 15.812 Total	16,294	583,259
	WHITE SANDS NATIONAL MONUMENT ARCHA	15.945	GR0004262	-	3,608
	QUANTIFYING HABITAT WHOOPING CRANE	15.945	GR0004397	-	13,170
	CHDN ADMINISTRATIVE SUPPORT NMSUDS	15.945	GR0004559	-	(792)
	DATA MODERNIZATION AND NEW RESEARCH	15.945	GR0004582	-	5,760
	CHDN ADMINISTRATIVE SUPPORT FY16	15.945	GR0004852	-	62,895
	DEFINING SEED TRANSFER GUIDELINES	15.945	GR0005014	-	51,971
	INFLUENCE OF LARGE SCALE WILDFIRE C	15.945	GR0005016	-	21,047
	WHITE SANDS NATIONAL MONUMENT HISTO	15.945	GR0005088	-	2,333
			CFDA 15.945 Total	-	159,992
	ASSESSMENT OF LANDBIRD MONITORING I	15.rd	GR0004629	-	-
	LARGE MAMMAL RESPONSES TO WILDFIRE	15.rd	GR0005084	-	46,238
	GRP1247 ELEPHANT BUTTE	15.rd	GRP001247	-	9,980
			DOI DIRECT	176,504	1,627,660
University of Arizona	REVERSE OSMOSIS CONCENTRATE MANAGEM	15.506	R10AC40042/R13AC80023	-	5,965
			CFDA 15.506 Total	-	5,965
Pueblo of Jemez	RESOURCE SELECTION AND MOVEMENTS OF	15.639	NMU-30-NA-1	-	50,157
			CFDA 15.639 Total	-	50,157
			DOI PASS THRU	-	56,122
	DEPARTMENT OF INTERIOR (DOI) Total			176,504	1,683,782
DEPARTMENT OF TRANSPORTATION (DOT)					
	FAA 10-C-CST-NMSU	20.109	GR0003529	7,280	37,814
	1251 FAA UAS CENTER OF EXCELLENCE	20.109	GRP001251	-	290,131
			CFDA 20.109 Total	7,280	327,945
			DOT DIRECT	7,280	327,945
Board of Regents Nevada System of Higher Education	EARLY WARNING SENSOR NETWORK	20.701	UNR-14-59 (DTR13-G-UTC55)	-	209
			CFDA 20.701 Total	-	209
State of New Mexico Mississippi State University	DEVELOP AND DEPLOY STATE OF THE ART	20.rd	ITS-OFFF-7513(20)	-	9,849
	1248 MISS STATE CONTRACT #008821	20.rd	15-C-UAS-NMSU-A	-	2,888
			DOT PASS THRU	-	12,946
	DEPARTMENT OF TRANSPORTATION (DOT) Total			7,280	340,891
ENVIRONMENTAL PROTECTION AGENCY (EPA)					
	POLLUTION PREVENTION GRANT PRGM	66.708	GR0004058	-	693
	FY13 POLLUTION PREVENTION GRNT PRGM	66.708	GR0004384	-	33,752
	FY14 POLLUTION PREVENTION GRNT PRGM	66.708	GR0004647	-	54,362
	FY2015 POLLUTION PREVENTION GRNT	66.708	GR0005004	-	42,471
			CFDA 66.708 Total	-	131,278
	EPA X9-01F09601-0 CO2 CAPTURE	66.717	GR0004995	-	55,334
			CFDA 66.717 Total	-	55,334

Schedule 9 - Schedule of Expenditures of Federal Awards

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RESEARCH AND DEVELOPMENT CLUSTER - MAJOR PROGRAM							
University of Texas	WATER TREATMENT SYSTEMS	EPA DIRECT		-	186,612		
		66.509	83517901	-	14,969		
			CFDA 66.509 Total	-	14,969		
		EPA PASS THRU		-	14,969		
	ENVIRONMENTAL PROTECTION AGENCY (EPA) Total			-	201,581		
AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) University of Georgia	AN INTEGRATED GLOBAL BREEDING APPRO	98.012	AIDECGA000700001	65,075	162,770		
			CFDA 98.012 Total	65,075	162,770		
		USAID PASS THRU		65,075	162,770		
		AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) Total		65,075	162,770		
DEPARTMENT OF EDUCATION (EDUC) State of New Mexico	NMPED IGA#16-924-00343	84.048	N/A	-	44,438		
			CFDA 84.048 Total	-	44,438		
		Texas A&M University	SWELL PROJECT FY15	84.305	R305A130704	-	4,289
				CFDA 84.305 Total	-	4,289	
Utah State University	ARRA THE NEW K-3 PLUS	84.396	U396B100267	-	65,256		
		EDUC ARRA	-	65,256			
	DEPARTMENT OF EDUCATION (EDUC) Total			-	113,983		
DEPARTMENT OF HOMELAND SECURITY (DHS) Northeastern University	AWARENESS AND LOCALIZATION OF EXPLO	97.061	2013-ST-061-ED0001	-	117,426		
			CFDA 97.061 Total	-	117,426		
		HHS PASS THRU		-	117,426		
		DEPARTMENT OF HOMELAND SECURITY (DHS) Total		-	117,426		
DEPARTMENT OF COMMERCE (DOC) University of Arizona	CLIMAS AIR QUALITY AND CLIMATE ASSE	11.431	NA12OAR4310124	-	58,029		
			CFDA 11.431 Total	-	58,029		
		DOC PASS THRU		-	58,029		
		DEPARTMENT OF COMMERCE (DOC) Total		-	58,029		
NATIONAL ENDOWMENT FOR HUMANITIES (NEH)	ARMCHAIR TRAVELERS AND THE VENETIAN	45.160	GR0005082	-	25,220		
			CFDA 45.160 Total	-	25,220		
		NEH DIRECT		-	25,220		
		NATIONAL ENDOWMENT FOR HUMANITIES (NEH) Total		-	25,220		
US TRADE DEVELOPMENT AGENCY (USTDA) CELSIA S.A. E.S.P.	FEASIBILITY STUDY FOR 20 MW HYBRID	59.rd	GH201151212	-	(25)		
			USTDA PASS THRU	-	(25)		
		US TRADE DEVELOPMENT AGENCY (USTDA)		-	(25)		
		TOTAL RESEARCH AND DEVELOPMENT CLUSTER		7,310,255	62,470,619		

Schedule 9 - Schedule of Expenditures of Federal Awards

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STUDENT FINANCIAL AID CLUSTER					
DEPARTMENT OF EDUCATION (EDUC) - LOANS					
	PERKINS LOANS - BEGINNING BALANCE	84.038			14,108,152
	PERKINS LOANS - DISBURSED IN FY16	84.038			675,446
	TOTAL PERKINS LOANS				<u>14,783,598</u>
	FEDERAL DIRECT LOANS - DISBURSED IN FY16	84.268			53,870,520
					<u>53,870,520</u>
	DEPARTMENT OF EDUCATION (EDUC) - LOANS Total				68,654,118
DEPARTMENT OF EDUCATION (EDUC)					
	FEDERAL PELL FY14	84.063	GRB000108	-	5
	FEDERAL PELL FY15	84.063	GRB000116	-	46,038
	FEDERAL SEOG FY15	84.007	GRB000117	-	135,892
	WORKSTUDY FED APP	84.033	GR0000870	-	1,199,809
	FEDERAL PELL FY16	84.063	GRB000127	-	40,943,861
	FEDERAL SEOG FY16	84.063	GRB000128	-	671,882
	FEDERAL TEACH GRANT FY16	84.379	GRB000129	-	16,701
	PERKINS LOAN CANCELLATIONS	84.037		-	95,701
	DEPARTMENT OF EDUCATION (EDUC) Total				43,109,889
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)					
	SCHOLARSHIPS FOR DISADVANTAGED STUD	93.925	GR0004078	-	210,000
	DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total				210,000
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				-	111,974,007

Schedule 9 - Schedule of Expenditures of Federal Awards

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INDIVIDUAL AWARDS - OTHER					
DEPARTMENT OF AGRICULTURE (USDA)					
	SUPPORTING CLIMATE-SMART DECISION M	10.001	GR0004549	-	139
			CFDA 10.001 Total	-	139
	2015 USDA INFRASTRUCTRE AND PINE PE	10.025	GR0004814	-	65,709
	2015/2016 HONEY BEE SURVEY	10.025	GR0004836	-	12,000
	2015/2016 NUT COMMODITY SURVEY	10.025	GR0004837	-	25,000
	2015/2016 USDA FIREWOOD SURVEY	10.025	GR0004854	-	10,000
	2016 INFRASTRUCTURE/PINE PEST SURVE	10.025	GR0005141	-	32,010
			CFDA 10.025 Total	-	144,719
	THE JOE SKEEN STUDENT CAREER EXPERI	10.028	GR0004548	-	13
	THE JOE SKEEN STUDENT CAREER EXPERI	10.028	GR0004649	-	24,605
	14/15 USDA WILDLIFE SERVICE	10.028	GR0004790	-	(472)
	2016 USDA WILDLIFE SERVICES	10.028	GR0005125	-	22,000
			CFDA 10.028 Total	-	46,146
	12/15 NM SPECIALTY CROPS BLOCK GRAN	10.170	GR0004103	-	99,739
	13/16 NM SPECIALTY CROPS BLOCK GRAN	10.170	GR0004364	79,359	132,321
	2014 MARKET NEWS SERVICE	10.170	GR0004643	-	13,802
	SPECIALTY CROPS BLOCK GRANT PROGRAM	10.170	GR0004675	67,950	137,323
	15/18 USDA SPECIALTY CROP BLCK GRNT	10.170	GR0005048	15,167	31,285
			CFDA 10.170 Total	162,476	414,470
	ORGANIC CERTIFICATION COST SHARE	10.171	GR0004787	-	47,798
			CFDA 10.171 Total	-	47,798
	RENEWAL RESOURCES RREA FED APPROP F	10.200	GR0004607	-	45,952
	RENEWAL RESOURCE RREA FED APPROP 16	10.200	GR0004969	-	11,453
			CFDA 10.200 Total	-	57,405
	PREPARING STUDENTS FOR CAREER PATHS	10.223	GR0003797	418,845	582,943
	RAISING THE GATES: ADDRESSING GAPS	10.223	GR0004589	-	26,060
	SOUTHWEST NATURAL RESOURCE CAREER T	10.223	GR0005087	17,364	114,056
			CFDA 10.223 Total	436,209	723,059
	USDA ERS 58-3000-2-0103	10.250	GR0004098	-	1,848
			CFDA 10.250 Total	-	1,848
	SETTING UP FOR SUCCESS: DEVELOPING	10.253	GR0004630	-	98,812
			CFDA 10.253 Total	-	98,812
	IMPROVING THE COMPETITIVENESS OF LT	10.303	GR0004595	-	154,243
			CFDA 10.303 Total	-	154,243
	NM ALIRT NM AG/LIVESTOCK INCIDENT R	10.304	GR0004011	-	52,978
			CFDA 10.304 Total	-	52,978
	SOUTHERN PUEBLOS BEGINNING FARMERS	10.311	GR0003977	84,795	261,459
			CFDA 10.311 Total	84,795	261,459
	FMHA AG MEDIATION 2014	10.435	GR0004476	-	27,748
			CFDA 10.435 Total	-	27,748
	NORTHERN NEW MEXICO OUTREACH PROJEC	10.443	GR0004948	-	168,859
			CFDA 10.443 Total	-	168,859
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.500	GR0004022	-	15,771
	ZUNI FEDERALLY RECOGNIZED TRIBES EX	10.500	GR0004293	-	74,998
	JICARILLO FEDERALLY-RECOGNIZED TRIB	10.500	GR0004297	-	73,942
	STATE OPERATION FEDERAL SMITH LEVER	10.500	GR0004321	-	-
	STATE EXPANDED FOOD NUTRITION EFNEP	10.500	GR0004323	-	163,509
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.500	GR0004324	-	89,158
	EXTENSION INTEGRATED PEST MANAGEMEN	10.500	GR0004355	-	25,526
	STATE OPERATION FEDERAL SMITH LEVER	10.500	GR0004602	-	996,856
	STATE EXPANDED FOOD NUTRITION EFNEP	10.500	GR0004604	-	315,196
	SPECIAL NEEDS SMITH LEVER 3B FED AP	10.500	GR0004605	-	7,108
	STATE OPER FEDERAL SMITH LEVER FY16	10.500	GR0004964	-	897,942
	STATE EXPAND FOOD NUTRITION EFNEP16	10.500	GR0004966	-	71,167
	SPECIAL NEED SMITHLEVER 3B FEDAP 16	10.500	GR0004967	-	27,576
	FY16 FERF RETIREMENT	10.500	GR0004968	-	9,746
			CFDA 10.500 Total	-	2,768,495
	NMSU HERITAGE FARM-NRCS WALKING ECO	10.902	GR0004988	-	14,131
	NATURAL RESOURCES CAREER DEV PROG	10.902	GR0005027	-	3,872
			CFDA 10.902 Total	-	18,003
	LOS LUNAS PLANT MATERIALS CENTER	10.905	GR0004898	-	10,672
			CFDA 10.905 Total	-	10,672
	USDA-NRCS - TECHNICAL ASSISTANCE TO	10.912	GR0004054	-	706,631
			CFDA 10.912 Total	-	706,631
	NRM TECHNICAL ASSISTANCE-WAT	10.960	GR0004421	-	196,825
	2015 FACULTY EXCHANGE FIELD STUDY	10.960	GR0004985	-	36,644
			CFDA 10.960 Total	-	233,469

Schedule 9 - Schedule of Expenditures of Federal Awards

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INDIVIDUAL AWARDS - OTHER					
	GEOGRAPHICAL INDICATORS AND US-CHIN	10.962	GR0005176	-	11,671
			CFDA 10.962 Total	-	11,671
	FARM BILL PRODUCER EDUCATION	10.xx	GR0004680	-	5,108
	NAVAJO FARMER AND RANCHER MARKET CO	10.xx	GR0005019	-	4,803
	CHILDREN'S FOREST	10.xx	GR0020086	-	4,125
			USDA DIRECT	683,480	5,962,660
SNAP Cluster					
State of New Mexico	SNAP FED FY15	10.561	N/A	-	376,159
	SNAP ED FY 2016	10.561	N/A	-	1,111,183
			SNAP Cluster	-	1,487,342
Child Nutrition Cluster					
State of New Mexico	2015 SUMMER FOOD SERV UPWARD BOUND	10.559	N/A	-	7,251
			Child Nutrition Cluster	-	7,251
Arizona State University	FOOD SYSTEM SUSTAINABILITY IN THE S	10.172	14-LFPPX-AZ-0006	-	5,383
			CFDA 10.172 Total	-	5,383
Regents University of California Davis	2013 IR-4 WESTERN REGION FOOD USE R	10.200	2013-34383-20981	-	904
	2014 IR-4 WESTERN REGION FOOD USE R	10.200	2014-34383-22029	-	3,934
	2014 IR-4 WESTERN REGION USE EFFIC	10.200	2014-34383-22029	-	2
	2015 IR-4 WESTERN REGION FOOD USE T	10.200	N/A	-	81,284
			CFDA 10.200 Total	-	86,124
Utah State University	DEVELOPING DIGITAL TOOLS TO IMPROVE SUSTAINING THE FUTURE OF NAVAJO RAN	10.215	2014-38640-22175	-	43,439
		10.215	2014-38640-22175	-	35,628
			CFDA 10.215 Total	-	79,067
University of Delaware	DEVELOPMENT AND ASSESSMENT OF AN ED	10.217	2012-70003-20059	-	58,950
			CFDA 10.217 Total	-	58,950
Texas A&M University- Kingsville	THE LEADERS PROGRAM: LEARNING, ENHA	10.223	2013-38422-20957	-	100,174
Texas State University	SOUTHWEST AGRICULTURE AND FOOD SAFE	10.223	2014-38422-22084	-	39,317
The Florida International University Board of Trustees	BROADENING AGRICULTURE SCIENCE EDUC	10.223	2015-38422-24075	-	17,924
			CFDA 10.223 Total	-	157,415
University of Tennessee	ADVANCING FOOD SAFETY EDUCATION	10.226	2015-38414-24223	-	6,610
			CFDA 10.226 Total	-	6,610
Southwestern Indian Polytechnic Institute	TRAINING FOR UNDERGRADUATE RESEARCH	10.227	2014-38424-21829	-	17,643
			CFDA 10.227 Total	-	17,643
Regents University of California Davis	WESTERN REGION PLANT DIAGNOSTIC NET	10.304	2012-37620-19626	-	27,784
The Trustees of Purdue University	EDEN HOMELAND SECURITY INITIATIVE V	10.304	2012-37620-20217	-	31
			CFDA 10.304 Total	-	27,815
University of Florida	ZINKICIDE A NANOTHERAPEUTIC FOR HLB	10.309	2015-70016-23010	-	23,615
			CFDA 10.309 Total	-	23,615
North Carolina State University	BUILDING CAPACITY TO CONTROL VIRAL	10.310	2011-68003-30395	-	20,238
University of Connecticut	CONNECTICUT FITNESS AND NUTRITION C	10.310	2012-68001-19956	-	46,405
The Board of Regents of the University of Nebraska	STEC IN THE BEEF CHAIN	10.310	2012-68003-30155	-	1,294
Rutgers University	HOMESTYLES VIDEO -ENGLISH & SPANISH	10.310	2011-68001-30170	-	80,520
Colorado State University	BRIDGING HOME & PRESCHOOL ENVIRONME	10.310	2015-68001-23240	-	15,111
			CFDA 10.310 Total	-	163,568
Developing Innovations in Navajo Education, Inc. DINE, Inc.	NATIVE AMERICAN PRODUCER SUCCESS II	10.443	59-2501-14-014	-	4,900
	NATIVE AMERICAN PRODUCER SUCCESS 3	10.443	N/A	-	15,096
			CFDA 10.443 Total	-	19,996
University of Arizona	NAVAJO AG/4H	10.500	00-41580-0867	-	91,604
Dine College	STAFF CAPACITY BUILDING	10.500	2011-47002-30782	-	3,598
Washington State University	NAVAJO FARM TO SCHOOL PROJECT	10.500	N/A	-	12,736
Kansas State University	2015 4-H MILITARY PARTNERSHIP GRANT	10.500	2013-41520-21290	-	8,798
Pennsylvania State University	FARMERS MARKET & LOCAL FOOD PROMOTI	10.500	2014-48775-22628	-	3,132
Washington State University	NAVAJO FARMER AND RANCHER NFR-RCMT	10.500	N/A	-	23,949
			CFDA 10.500 Total	-	143,817
State of New Mexico	HEADSTART CHILD AND ADULT CARE FOOD	10.558	GR0002857	-	119,938
	CACFP AGREEMENT #0664	10.558	GR0003411	-	(5,456)
			CFDA 10.558 Total	-	114,482
State of New Mexico	2016 NM SUMMER FOOD SERVICE PROGRAM	10.559	N/A	-	12,320
			CFDA 10.559 Total	-	12,320
The Trustees of Purdue University	STRONGER ECONOMIES TOGETHER IV (NOR	10.771	018000.340452.22	-	1,451
			CFDA 10.771 Total	-	1,451
Mississippi State University	STRONGER ECONOMIES TOGETHER	10.xx	N/A	-	74,165
Utah State University	2015-2016 IMPLEMENTATION OF SARE-NM	10.xx	N/A	-	736
			USDA PASS THRU	-	2,487,750
DEPARTMENT OF AGRICULTURE (USDA) Total				683,480	8,450,410

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)					
	ACF HEALTHY MARRIAGE PROJ	93.086	GR0004648	-	158,027
			CFDA 93.086 Total	-	158,027
	2015/2020 FDA REG PROG 1U18FD005593	93.103	GR0004997	-	222,143
	NM FOOD PROTECTION ALLIANCE CONFER	93.103	GR0004999	-	8,683
			CFDA 93.103 Total	-	230,826
	1D40HP26863-01-00 HHS	93.191	GR0004566	-	168,332
			CFDA 93.191 Total	-	168,332
	SUICIDE PREVENTION AT NMSU	93.243	GR0003758	-	(23)
	SCREENING, BRIEF INTERVENTION AND R	93.243	GR0004637	-	286,665
			CFDA 93.243 Total	-	286,642
	COMPREHENSIVE GERIATRIC EDUCATION P	93.265	GR0003980	-	2,929
			CFDA 93.265 Total	-	2,929
	SCIENCE TOOLS IN THE CLASSROOM (STC	93.351	GR0004482	20,708	158,780
			CFDA 93.351 Total	20,708	158,780
	DAC HEAD START OPERATIONS FY14/15	93.600	GR0004540	-	1,896,509
			CFDA 93.600 Total	-	1,896,509
	BRIDGES TO THE BACCALAUREATE	93.859	GR0003227	-	146
	NMSU RISE TO THE POSTDOCTORATE PRGM	93.859	GR0004343	-	768,900
	NIH MARC5T34GM007667-37	93.859	GR0004481	-	(6,188)
	NIH MARC5T34GM007667-38	93.859	GR0004821	-	426,446
	BRIDGES TO THE BACCALAUREATE AT NEW	93.859	GR0004856	-	160,246
	YR 16/MARC 5T34GM007667-39	93.859	GR0005140	-	75,956
			CFDA 93.859 Total	-	1,425,506
		HHS DIRECT		20,708	4,327,551
State of New Mexico	HEALTHY HOMES ASTHMA	93.070	2U59EH000504-06	-	1,876
State of New Mexico	HEALTHY HOMES LEAD	93.070	N/A	-	33,291
			CFDA 93.070 Total	-	35,167
State of New Mexico	SOAR	93.074	N/A	1	1
Community Foundation of Southern New Mexico	UP - UNIFIED PREVENTION COALITION	93.074	N/A	-	(249)
State of New Mexico	HEALTHY TRANSITIONS NEW MEXICO	93.074	5H79SM061905-02	257,338	329,809
	SOAR	93.074	N/A	109,491	118,195
	PED GRADS	93.074	N/A	-	58,464
University of New Mexico	UNM CAMPUS OFFICE CONSORTIUM FY16	93.074	N/A	-	6,922
Community Foundation of Southern New Mexico	UNIFIED PREVENTION COALITION UP! FY	93.074	N/A	-	5,303
State of New Mexico	CHILDHOOD LEAD POISONING PREVENTION	93.074	N/A	-	19,918
	NM CITIZEN REVIEW BOARD	93.074	N/A	-	-
	NM CITIZEN REVIEW BOARD	93.074	N/A	-	183,149
			CFDA 93.074 Total	366,830	721,512
University of Tennessee	NAT'L FOOD SAFETY CURRICULUM	93.103	1U54FD004331-01	-	67,295
	SUPPORT EXPANSION FDA PRODUCE SAFET	93.103	1U18FD005657-01	-	24,373
			CFDA 93.103 Total	-	91,668
State of New Mexico	SAMHSA NEW MEXICO SYSTEMS OF CARE	93.104	5U79SM059020	-	363,889
			CFDA 93.104 Total	-	363,889
University of New Mexico	FEDERAL AHEC FY14	93.107	U77HP23074-02-00	-	50,441
			CFDA 93.107 Total	-	50,441
University of New Mexico	REACHING PRACTICING MCH PROFESSIONA	93.110	T04MC26891	-	37,958
			CFDA 93.110 Total	-	37,958
State of New Mexico	SWAG YEAR 3	93.235	N/A	32,353	61,557
			CFDA 93.235 Total	32,353	61,557
State of New Mexico	CYFD COMMUNITIES OF CARE	93.243	1H79SM061905	16,166	258,704
	CYFD HEALTHY TRANSITIONS	93.243	1H79SM061905-01	419,783	551,293
	NM STATE YOUTH TREATMENT PLANNING (93.243	N/A	124,038	135,100
			CFDA 93.243 Total	559,987	945,097
State of New Mexico	CHILDREN'S LAW INSTITUTE	93.556	N/A	-	16,249
	TITLE IV-B PROGRAM	93.556	G1201NM00FP	-	(143)
	TITLE IV-B PROGRAM FY15	93.556	N/A	-	(45)
	TITLE IV-B PROGRAM FY16	93.556	G0601NM00FP	-	89,560
			CFDA 93.556 Total	-	105,621
State of New Mexico	COURT IMPROVEMENT PROJECT, CHILDREN	93.586	N/A	-	2,925
	COURT IMPROVEMENT PROJECT CHILDREN	93.586	N/A	-	45,310
			CFDA 93.586 Total	-	48,235
Joslin Diabetes Center, Inc.	PATHWAYS TO BETTER HEALTH THROUGH A	93.610	1C1CMS331021-01-00	-	88,918
			CFDA 93.610 Total	-	88,918

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					
State of New Mexico	TITLE IV-E PROGRAM	93.658	N/A	-	2,474
	TITLE IV-E PROGRAM FY16	93.658	N/A	-	914,854
			CFDA 93.658 Total	-	917,328
State of New Mexico	CAPT CHILD & FAMILY SERVICES TRAINI	93.669	H0601NMCA01	-	59,087
			CFDA 93.669 Total	-	59,087
State of New Mexico	INDEPENDENT LIVING CONFERENCE FY16	93.674	G1401NM1420/G1501NM1420	-	19,800
			CFDA 93.674 Total	-	19,800
Molina Healthcare, Inc.	HEALTH PLANS PREVENTING DIABETES AN	93.739	1U58DP004157-01	-	114,206
			CFDA 93.739 Total	-	114,206
State of New Mexico	HEALTHY KIDS HEALTHY COMMUNITIES	93.758	2B01OT009039-14	-	5,000
			CFDA 93.758 Total	-	5,000
University of New Mexico	ACADEMIC SCIENCE EDUCATIONS AND REA	93.859	2K12GM088021-06	-	20,039
			CFDA 93.859 Total	-	20,039
			HHS PASS THRU	959,170	3,685,523
			DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total	979,878	8,013,074
DEPARTMENT OF EDUCATION (EDUC)					
TRIO Cluster	US DOEd P042A100782	84.042	GR0003424	-	47,168
	TRIO STUDENT SUPPORT SERVICES PROGR	84.042	GR0004941	-	302,081
	NMSU STUDENT SUPPORT SERVICES SCIEN	84.042	GR0004955	-	128,130
			CFDA 84.042 Total	-	477,379
TRIO Cluster	NMSU-TRIO-UPWARD BOUND PROGRAM	84.047	GR0004033	-	416,841
			CFDA 84.047 Total	-	416,841
TRIO Cluster	NMSU EDUCATIONAL TALENT SEARCH	84.066	GR0003742	-	218,399
			CFDA 84.066 Total	-	218,399
			TRIO Cluster	-	1,112,619
	TRAINING GRADUATE STUDENTS FOR RESE	84.002	GR0004066	-	172,747
			CFDA 84.002 Total	-	172,747
	NO TIME TO LOSE: A HEAD START TO ST	84.031	GR0020081	-	229,228
	NO TIME TO LOSE: A HEAD START TO ST	84.031	GR0020081	-	205,349
	P031C110087 SECO 2011-2016	84.031	GR0020087	-	558,464
	P031C110087 SECO 2011-2016	84.031	GR0020087	-	92,781
	ALLIED HEALTH/NURSING PROGRAM	84.031	GR0030075	-	588,074
	CAMBIANDO NUESTRO DE APRENDIZAJE	84.031	GR0050053	-	473,004
	CAMBIANDO NUESTRO DE APRENDIZAJE	84.031	GR0050053	-	426,412
			CFDA 84.031 Total	-	2,573,312
	TRI-NATIONAL INDIGENOUS RURAL TOURI	84.116	GR0003466	33,866	33,866
			CFDA 84.116 Total	33,866	33,866
	COLLEGE ASSISTANCE MIGRANT PGM CAMP	84.149	GR0004012	-	420,728
			CFDA 84.149 Total	-	420,728
	NMSU-CEP-GAANN FELLOWSHIP PROGRAM	84.200	GR0005034	-	40,083
			CFDA 84.200 Total	-	40,083
	NM-PASS PREPARING AUTISM SPECTRUM	84.325	GR0003504	-	7,285
	SELDs 2011 TO 2017	84.325	GR0003813	-	25,189
	CLASS FOR ALL-NM: CULTURALLY AND LI	84.325	GR0004307	107,582	209,604
			CFDA 84.325 Total	107,582	242,078
	IMPROVING INSTRUCTION FOR ENGLISH L	84.365	GR0003949	-	356,425
			CFDA 84.365 Total	-	356,425
	NASNTE PROGRAM FY11-FY16	84.382	GR0050034	-	339,778
			CFDA 84.382 Total	-	339,778
			EDUC DIRECT	141,448	4,179,017
State of New Mexico	NM HED ABE FY16 GRANTS	84.002	N/A	-	50,269
			CFDA 84.002 Total	-	50,269
State of New Mexico	NMHED ABE FY16	84.004	V002A140032	-	83,007
	NM HED ABE FY16 CARLS	84.004	V002A150032	-	109,554
New Mexico Higher Education Department	NM ABE 15-16 FEDERAL	84.004	V002A140032	-	354,605
State of New Mexico	NM HED ABE FY15 GRANTS	84.004	V002A140032	-	(766)
			CFDA 84.004 Total	-	546,400
University of New Mexico	UNM 208070-8745	84.031	P031S110012	-	411,479
New Mexico Institute of Mining and Technology	ENTRYWAY TO ENGINEERING SUCCESS	84.031	P031C110059-15	-	3,111

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					
			CFDA 84.031 Total	-	414,590
State of New Mexico	CARL PERKINS REDISTRIBUTION	84.048	V048A130031	-	12,269
	CARL PERKINS GRANT FY 2016	84.048	N/A	-	50,421
	CARL PERKINS YEAR 4 (11-12)	84.048	N/A	-	(138,000)
	CARL PERKINS YEAR 5 (12-13)	84.048	N/A	-	(153,638)
	CARL PERKINS 2013-2014	84.048	V048A130031-13A	-	(56,374)
	CARL PERKINS 2014-2015	84.048	V048A140031	-	1,809
	CP CAREER & TECH REDISTRIBUTION	84.048	V048A120031	-	86,564
	CARL PERKINS 2015-2016	84.048	N/A	-	518,940
			CFDA 84.048 Total	-	321,991
National Writing Project State of New Mexico	BORDERLANDS WRITING PROJECT	84.367	S367D120015	-	3,541
	SC2 IMPROVING TEACHERS' EFFECTIVENE	84.367	S367B140028	-	4,023
	2014 MC2 TITLE II IMPROVING TEACHER	84.367	S367B140028	-	5,294
	2016 HED SC2	84.367	s367b140028	-	100,809
	2015 MC2 TITLE II IMPROVING TEACHER	84.367	N/A	-	97,117
National Writing Project	NWP SEED INVITATIONAL LEADERSHIP IN	84.367	U367D150004	-	2,847
			CFDA 84.367 Total	-	213,631
State of New Mexico	CARL PERKINS REDISTRIBUTION 15-16	84.xx	GR0040162	-	43,749
			EDUC PASS THRU	-	1,590,630
	DEPARTMENT OF EDUCATION (EDUC) Total			141,448	6,882,266
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)					
	COMPETITIVE OPPORTUNITY FOR PARTNER	43.008	GR0004645	114,352	214,089
			CFDA 43.008 Total	114,352	214,089
	NASA TRAINING GRANT ANNOUNCEMENT	43.001	GR0003400	37,174	403,970
			CFDA 43.001 Total	37,174	403,970
			NASA DIRECT	151,526	618,059
Jacobs Technology Inc. Paragon TEC	COOP ED AGREEMENT 5/11/11	43.xx	NNJ11HA02C	-	215,713
	NASA PRE-SERVICE	43.xx	N/A	-	-
	NASA SEMAA 2013	43.xx	N/A	-	(258)
			NASA PASS THRU	-	215,455
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) Total			151,526	833,514
DEPARTMENT OF COMMERCE (DOC)					
Economic Development Cluster	I6 ARROWHEAD INNOVATION NETWORK (AI	11.307	GR0004108	-	112,263
			Economic Development Cluster	-	112,263
	THE NEW MEXICO REGIONAL COMMERCIALI	11.303	GR0004316	-	148,350
			CFDA 11.303 Total	-	148,350
	ARROWHEAD HEALTH TECH CLUSTER PLANN	11.010	GR0004865	412,263	426,558
			CFDA 11.010 Total	412,263	426,558
	NEXT GENERATION ENTREPRENEURSHIP (N	11.xx	GR0005101	-	-
			DOC DIRECT	412,263	574,908
Global Sciences & Technology Inc.	OPERATIONAL DATA COLLECTION FOR NAT	11.xx	GS-23F-00501	-	18,235
			DOC PASS THRU	-	18,235
	DEPARTMENT OF COMMERCE (DOC) Total			412,263	705,406
DEPARTMENT OF HOMELAND SECURITY (DHS)					
State of New Mexico	2014 NM WATERSHED HEALTH AND DROUGH	97.039	FEMA-4079-DR-NM	-	42,913
			CFDA 97.039 Total	-	42,913
State of New Mexico	2014 EMERGENCY MANAGEMENT PERFORMAN	97.042	EMW-2014-EP-00047-S01	-	786
	2015 ANIMAL EMER RESPONSE TRAILERS	97.042	EMW-2013-EP-00079-S01	-	12,867
	2015 EMERGENCY MANAGEMENT PERFORMAN	97.042	N/A	-	312,642
			CFDA 97.042 Total	-	326,295
State of New Mexico	2015 NMDHSEM CONFERENCE	97.067	EMW-2014-SS-00152-S01	-	70,231
			CFDA 97.067 Total	-	70,231
			DHS PASS THRU	-	439,439
	DEPARTMENT OF HOMELAND SECURITY (DHS) Total			-	439,439
ENVIRONMENTAL PROTECTION AGENCY (EPA)					
	13/15 US EPA	66.700	GR0004347	-	146,252

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					
	15/17 US EPA AWARD	66.700	GR0005022	-	289,447
			CFDA 66.700 Total	-	435,699
			EPA DIRECT	-	435,699
	ENVIRONMENTAL PROTECTION AGENCY (EPA) Total			-	435,699
DEPARTMENT OF LABOR (DOL)					
Santa Fe Community College	HEALTH CARE ASSISTANT PATHWATAACCCT	17.282	TC-26486-14-60-A-35	-	353,285
			CFDA 17.282 Total	-	353,285
University of Texas	SUSAN HARWOOD TRAINING GRANT	17.502	N/A	-	10,692
	SAFETY TRAINING LARGE HERD DAIRY	17.502	SH-27689-F-48	-	12,953
			CFDA 17.502 Total	-	23,645
			DOL PASS THRU	-	376,930
	DEPARTMENT OF LABOR (DOL) Total			-	376,930
DEPARTMENT OF ENERGY (DOE)					
Los Alamos National Security LLC	NM SMALL BUSINESS ASSISTANCE	81.xx	DE-AC52-06NA25396	-	38,621
	LANS NMSBA - 2016	81.xx	DE-AC52-06NA25396	-	28,644
Sandia Corporation	SANDIA - NMSBA 2012	81.xx	N/A	-	73,389
			DOE PASS THRU	-	140,654
	DEPARTMENT OF ENERGY (DOE) Total			-	140,654
DEPARTMENT OF INTERIOR (DOI)					
	NM S-6-D-1 DEPREDATION COMPENSATION	15.666	GR0005074	60,000	60,000
	NM S-7-D-1 DEPREDATION PREVENTION G	15.666	GR0005081	34,000	34,000
			CFDA 15.666 Total	94,000	94,000
			DOI DIRECT	94,000	94,000
America View	STATEVIEW PROGRAM DEVELOPMENT AND O	15.815	G14AP00002	-	27,784
			CFDA 15.815 Total	-	27,784
			DOI PASS THRU	-	27,784
	DEPARTMENT OF INTERIOR (DOI) Total			94,000	121,784
SMALL BUSINESS ADMINISTRATION (SBA)					
	FAST PARTNERSHIP PROGRAM	59.058	GR0004942	-	62,608
			CFDA 59.058 Total	-	62,608
			SBA DIRECT	-	62,608
State of New Mexico	SBDC DACC FY15	59.037	N/A	-	(1,699)
	NM SBDC FY16	59.037	N/A	-	20,687
	NMSBDC 2015-16 CACC FED	59.037	N/A	-	17,329
	SBDC DACC FY16	59.037	N/A	-	21,689
	SBDC GRANTS FY16 FED	59.037	GRF050054	-	16,141
			CFDA 59.037 Total	-	74,147
			SBA PASS THRU	-	74,147
	SMALL BUSINESS ADMINISTRATION (SBA) Total			-	136,755
DEPARTMENT OF DEFENSE (DOD)					
	PRE-USASMA COURSE - ENGLISH WRITING	12.xx	GR0004826	-	11,949
			DOD DIRECT	-	11,949
Academy of Applied Science	2015 REAP	12.431	W911NF-10-2-0076	-	2,500
			CFDA 12.431 Total	-	2,500
New Mexico Institute of Mining and Technology	AFRL YOUNG ENTREPRENEUR PROGRAM	12.615	FA9453-11-3-0002	-	45,058
			CFDA 12.615 Total	-	45,058
AGEISS	IDEALS AGEISS ARMY MENTOR PROTEGE	12.xx	W9113M-C-0036	-	12,392
			DOD PASS THRU	-	59,950
	DEPARTMENT OF DEFENSE (DOD) Total			-	71,899
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					

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					
Dona Ana County	WEB-BASED DATABASE CREATION, POPULA	14.xx	NMRIP0064-11	-	706
			HUD PASS THRU	-	706
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) Total				-
DEPARTMENT OF STATE (DOS)	UNIVERSIDAD SAN FRANCISCO DE QUITO	19.040	GR0005181	-	641
			CFDA 19.040 Total	-	641
			DOS DIRECT	-	641
DEPARTMENT OF STATE (DOS) Total				-	641
DEPARTMENT OF JUSTICE (DOJ) State of New Mexico	THE ENFORCMENT OF UNDERAGE DRINKING	16.727	2010-AH-FX-0103	-	(384)
			CFDA 16.727 Total	-	(384)
			DOJ PASS THRU	-	(384)
DEPARTMENT OF JUSTICE (DOJ) Total				-	(384)
TOTAL INDIVIDUAL AWARDS OTHER				2,462,595	26,608,793
TOTAL EXPENDITURES OF FEDERAL AWARDS				9,772,850	201,053,419

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	\$ 90,617,831
Federal Pell Grant revenue	40,989,904
Portion of Capital Grants, Gifts and other Income related to Federal Awards	749,346
	<u>132,357,081</u>

Plus reconciling items:

Adjustment to federal revenue for accrued liabilities and Department of Education loans	<u>68,696,338</u>
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Federal Expenditures per Schedule 9

<u>\$ 201,053,419</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, 2016. The information in this schedule is presented in accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note B: Significant Accounting Policies:

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

Note C: Federal Direct Student Loans, CFDA # 84.268. During the fiscal year ending June 30, 2016, the University processed \$53,870,520 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, 2016, 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 ended June 30, 2016 totaled \$675,446, and the outstanding student loan balances under the Federal Perkins Loan Program was \$12,461,689.

Note F: New Mexico State University has elected not to use the 10% de minimis indirect cost rate.

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 discretely presented component unit of the New Mexico State University (the University) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 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*.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of other findings as required by New Mexico state statute, section 12-6-5 NMSA 1978 as item 2016-002.

The University's Response to Finding

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

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
December 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 Required by Uniform Guidance

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 Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on the major federal program is not modified with respect to this matter.

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

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016-001 to be a material weaknesses.

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. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.



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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

Albuquerque, New Mexico
December 12, 2016

Summary Schedule of Prior Audit Findings – June 30, 2016

Section II – Financial Statement Findings Relating to the Financial Statements Reported in Accordance with Governmental Auditing Standards

None

Section III – Federal Award Findings and Questioned Costs

None

Schedule of Findings and Questioned Costs – June 30, 2016

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ <u>x</u>	yes	_____ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____	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 2 CFR 200.516 of Uniform Guidance?	_____ <u>x</u>	yes	_____ no
Identification of major programs:			
Student Financial Assistance 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	_____ no

Schedule of Findings and Questioned Costs – June 30, 2016 (continued)

Section II – Financial Statement Findings Relating to the Financial Statements Reported in Accordance with Governmental Auditing Standards

None

Section III – Federal Award Findings and Questioned Costs

2016-001 – Student Financial Aid - Reporting

Schedule of Findings and Questioned Costs – June 30, 2016 (continued)

Finding Number: 2016-001

Federal Agency: Department of Education

Program Name: Student Financial Aid Cluster

CFDA No. and Program Expenditures: 84.268 and 84.063 (\$111,974,007)

Grant Numbers: GRB000108, GRB000116, and GRB000127

Fiscal Program Award Year Ended: June 30, 2016

Compliance Requirement: Reporting

Type of Finding: Material Weakness in Internal Control and Material Noncompliance

Questioned Cost: None

Condition and Criteria

New Mexico State University (the University) is required to file ED Form 646-1, Fiscal Operations Report and Application to Participate (FISAP) (OMB No. 1845-0030) in accordance with 34 CFR 674.19, 34 CFR 675.19, and 34 CFR 676.19 and 20 U.S.C 1094.

Information in Part II Section D of the FISAP is required to include the unduplicated number of all postsecondary students enrolled (full time and less than full time) for the twelve-month period ending June 30, 2016. "Unduplicated" means each student is counted/reported only once regardless of how many terms a student enrolls in. Information in Part II Section E of the FISAP is required to include total tuition and fees for the award year July 1, 2015 – June 30, 2016. The tuition and fees revenue included must be *only* for those students reported in Section D.

The University did not have adequate controls in place over the FISAP. In reviewing Part II Sections D and E of the FISAP for the reporting period July 1, 2015 – June 30, 2016, we found that the information included was inaccurate as compared to the audited financial statements, general ledger, student records, or other supporting documentation, as applicable. Specifically, we found that Section D did not count each student only once, but rather if a student was enrolled at more than one campus during the award year, that student was counted for each campus at which the student was enrolled. This resulted in approximately 4,400 students or 15% being counted at multiple campuses. In addition, we found that total tuition and fees recorded in Section E were inaccurate as compared to the underlying books and records. Specifically, total tuition and fees as reported in Section E was \$174,253,088 while the underlying general ledger information indicated total tuition and fees should have been \$108,038,545.

Cause

The methodology utilized to prepare, and review the FISAP did not consider all applicable guidance in determining the reported amounts. In addition, the review and approval of the FISAP did not include a detailed enough reconciliation of the information reported on the FISAP to the underlying records/support.

Effect

Certain key line items within the FISAP submitted to the Department of Education contained inaccurate information and did not agree to the underlying records, which could result in inaccurate information being utilized to determine future funding in the Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant programs.

Recommendation

We recommend that management consider additional training for individuals responsible for the preparation and review of the FISAP. In addition, we recommend that management strengthen the University's review procedures to help to ensure that reports filed with granting agencies are complete and accurate and reconcile to the underlying books and records.

Management's Response

The Office of the Vice President for Student Affairs and Enrollment Management will take the lead to ensure all policies and procedures related to the preparation of the annual FISAP report are clearly documented, maintained and available to the University Financial Aid and Scholarship Services Department. This documentation will be reviewed, at least annually, and updated as federal regulations and calculations change. This document, along with appropriate training, will be provided, to every University office assigned responsibility for providing required data for completion of the FISAP for each reporting cycle. The University Controller's office will be added to the process to review calculations and ensure accuracy with financial statement data. Additionally, Financial Aid and Scholarship Services Office management will ensure all parties involved in the preparation of the FISAP understand what data is being requested, and the importance of submitting the correct data in a timely manner. By March 31, 2017, the Vice President for Student Affairs and Enrollment Management will ensure the above procedural changes and training have been established.

The US Department of Education provides a FISAP correction deadline of December 15th each year. The University will submit the corrections to headcount and tuition and fees assessed by December 15, 2016.

Schedule of Other Findings**As Required by New Mexico State Statute, Section 12-6-5, NMSA 1978****June 30, 2016****Prior Year Findings**

None

Other Findings as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978**2016-002 Schedule of Expenditures of Federal Awards (SEFA) – Finding that does not rise to the level of a significant deficiency*****Condition and Criteria***

As a recipient of federal grants, New Mexico State University (NMSU) is responsible for preparing a Schedule of Expenditures of Federal Awards (SEFA) in accordance with *Uniform Guidance* (2 CFR 200). All expenditures of Federal funds must be accounted for in the annual SEFA whether funds are received directly from a Federal agency or indirectly from a pass-through entity. Preparation of the SEFA requires a grant recipient to present various elements related to its federal grant expenditures. At a minimum, the SEFA should include:

- The name of the Federal grantor agency or organization;
- The official program title of the Federal award;
- The applicable CFDA (Catalog of Federal Domestic Assistance) number for each award;
- The contract or grant numbers assigned by Federal or state agencies, in addition to the CFDA number;
- Current year expenditures

In reviewing the SEFA prepared by NMSU, we noted that approximately 150 grants representing \$26 million of expenditures had been incorrectly assigned CFDA number 93.074.

Cause

This issue appears to be the result of an IT system error whereby CFDA numbers in the system were inappropriately changed from the correct CFDA number to CFDA number 93.074. NMSU's internal controls process, including a manual review of the SEFA, did not identify the system error that resulted in the incorrect CFDA numbers.

Effect

If not corrected, inaccurate expenditures would have been reported to the Federal government which could have resulted in the improper selection of major programs for the single audit.

Recommendation

NMSU should consider additional training for individuals responsible for the preparation and review of the SEFA. In addition, we would recommend NMSU investigate the root cause of the IT system error to determine if corrective actions are necessary.

Management's Response

Although the SEFA schedule provided to the external auditors contained incorrect CFDA numbers due to a software system error, it is important to note the SEFA was not published or released in any external document.

NMSU is working with our enterprise system provider to resolve the system error that automatically changed the CFDA numbers during a post-April 2016 upgrade. The Controller is responsible for resolving this issue by June 30, 2017. In addition, a review process has been established and implemented to ensure the CFDA numbers are correct and consistent with initial setup of the award. A report identifying all awards will be reviewed at least quarterly to confirm the CFDA number prefix coincides with the applicable Federal agency. In addition, the University has provided additional staff training on preparation of the SEFA and updated internal financial reporting procedures to include verification of the CFDA prefix numbers.

An exit conference was held on October 28, 2016, 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	Chair
Amanda López Askin	Member
Shari Jones	Audit Committee Community Member

Representing New Mexico State University

Garrey E. Carruthers	Chancellor
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	President, NMSU Foundation, Inc.
Tina Byford	Chief Operating Officer, NMSU Foundation, Inc.
Kevin Boberg	President, Arrowhead Center, Inc. Board
Kathryn Hansen	CEO, Arrowhead Center Inc.

Representing KPMG LLP

John T. Kennedy	Lead Engagement Partner
Suzette Longfellow	Managing Director
Pepper Cooper	Audit Manager
Jonathan Roepcke	Audit Manager

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