

The University of New Mexico



Audit Report 2015 **For the fiscal year ended June 30, 2015**



THE UNIVERSITY OF NEW MEXICO

June 30, 2015

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THE UNIVERSITY OF NEW MEXICO

June 30, 2015

BOARD OF REGENTS AND PRINCIPAL OFFICERS

Board of Regents

Appointed Members

	<i>Title:</i>	<i>Term Expires:</i>
Jack L. Fortner	President	12/20/2016
Robert M. Doughty	Vice President	12/31/2020
Bradley C. Hosmer	Secretary/Treasurer	12/20/2016
James H. Koch	Member	12/31/2018
Marron Lee	Member	Recess Appointment
Suzanne Quillen	Member	12/31/2018
Ryan Berryman	Student Member	12/31/2016

Ex officio Members

The Honorable Susana Martinez	Governor of the State of New Mexico
Dr. Barbara Damron	Secretary of Higher Education

Advisors

Stefan Posse	President, Faculty Senate
Jenna Hagengruber	President, Associated Students of the University of New Mexico
Texanna Martin	President, Graduate & Professional Student Association
Crystal Davis	President, Staff Council
Ann Rhoades	President, UNM Alumni Association
Carol Stephens	President, UNM Retiree Association
Catherine Cullen	President, UNM Parent Association
Michelle Coons	Chair, UNM Foundation

Principal Administrative Officials

University

Robert G. Frank	President
David W. Harris	Executive Vice President for Administration, COO and CFO
Chaouki Abdallah	Provost and Executive Vice President for Academic Affairs
Dr. Paul Roth	Chancellor for Health Sciences

UNM Hospitals

Stephen W. McKernan	Chief Executive Officer & Vice President for Hospital Operations
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Principal Financial Officials

Main Campus

Andrew Cullen	Associate Vice President of Budget, Planning and Analysis
Elizabeth Metzger	University Controller

Health Sciences Center

Ava J. Lovell	Senior Executive Officer for Finance & Administration, HSC
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UNM Hospitals

Ella B. Watt	Chief Financial Officer
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KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

Independent Auditors' Report

The Board of Regents
University of New Mexico
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, fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico (the University or UNM), as of and for the years ended June 30, 2015 and 2014, 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 audit. We did not audit the departmental financial statements of the UNM Hospital and the UNM Behavioral Operations, collectively known as the clinical operations of the University (clinical operations), which constitutes 25 percent, 40 percent, and 55 percent (including all clinical and patient revenues), respectively, of the assets, net position, and revenues of the primary institution total as of and for the year ended June 30, 2015 and which constitutes 25 percent, 19 percent, and 44 percent, respectively, of the assets, net position, and revenues of the primary institution totals as of and for the year ended June 30, 2014. In addition, we did not audit the financial statements of certain discretely presented component units, the UNM Medical Group, Inc., and Sandoval Regional Medical Center (SRMC), which constitutes 43 percent, 23 percent, and 84 percent, respectively, of the assets, net position, and revenues of the discretely presented component units total as of and for the year ended June 30, 2015 and which constitutes 46 percent, 23 percent, and 73 percent, respectively, of the assets, net position, and revenues of the discretely presented component units total as of and for the year ended June 30, 2014. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such clinical operations (including all clinical and patient revenues) and component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained and the report of other auditors is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico, as of June 30, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Adoption of New Accounting Pronouncement

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

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, the schedule of Proportionate Share of Net Pension Liability and Employer Contributions – Pension (schedule 1) and the schedule of Funding Progress and Employer Contributions – Other Postemployment Benefits (schedule 2) on pages 8–29, 90, and 91 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 and the other auditors 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 and the other auditors 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 and that of the other auditors were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying discretely presented component unit combining schedules (schedules 3 through 6), budget comparison (schedules 7 through 9), schedule of pledged collateral (schedule 10), schedule of individual deposit and investment accounts (schedule 11), schedule of expenditures of federal awards (schedule 12), schedule of pledged revenues – university only (schedule 13), and schedule of vendor information (schedule 14) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The discretely presented component unit combining schedules (schedules 3 through 6), budget comparison (schedules 7 through 9), schedule of pledged collateral (schedule 10), schedule of individual deposit and investment accounts (schedule 11), and schedule of expenditures of federal awards (schedule 12) 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 discretely presented component unit combining schedules (schedules 3 through 6), budget comparison (schedules 7 through 9), schedule of pledged collateral (schedule 10), schedule of individual deposit and investment accounts (schedule 11), and schedule of expenditures of federal awards (schedule 12) are fairly stated in all material respects in relation to the basic financial statements as a whole based on our audit and the report of other auditors.

The schedule of pledged revenues – university only (schedule 13) and schedule of vendor information (schedule 14) have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 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 18, 2015

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THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

The following discussion and analysis provides an overview of the financial position and activities of The University of New Mexico (University or UNM) as of and for the years ended June 30, 2015, 2014, and 2013. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the basic financial statements, notes, and this discussion are the responsibility of University management.

This Management's Discussion and Analysis (MD&A) includes comparative financial information of the primary institution for fiscal years 2015, 2014, and 2013. The MD&A does not include information of the discretely presented component units, for which separately issued financial statements are available.

About the Financial Statements

The University presents its financial statements in a business-type activity format, in accordance with the Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. The audit report includes a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, a Statement of Cash Flows, and Notes to the Basic Financial Statements.

The **Statement of Net Position** is the balance sheet for the University. It is a point-in-time financial statement; the purpose of which is to give the readers of the financial statements a fiscal snapshot of the University. The statement presents end-of-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources).

The **Statement of Revenues, Expenses, and Changes in Net Position** is the income statement for the University. Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. This statement begins with a presentation of the operating revenues received by the institution. Operating revenues are defined by GASB as revenues arising from an exchange (earned) transaction. In a public university, such as UNM, income from state government appropriations, although not earned, is heavily relied upon to pay operating expenses for almost all instruction and general programs. However, GASB defines state appropriation income as nonoperating revenues, causing the presentation of a large operating loss on the first page of the Statement of Revenues, Expenses, and Changes in Net Position. The operating loss is offset by nonoperating revenues (expenses) in the next section of this statement.

The **Statement of Cash Flows** presents the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is useful in assessing the University's ability to generate net cash flows and meet its obligations as they come due. It is prepared using the direct method of cash flows, and as such, presents gross, rather than net, amounts for the year's activities.

The **Notes to the Basic Financial Statements** follow the financial statements and present additional information in support of the financial statements.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2015

Statement of Net Position

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2015, 2014, and 2013 is as follows:

	2015	2014	2013
Assets			
Current assets	\$ 942,298,897	\$ 767,576,688	\$ 720,739,601
Capital assets, net	1,152,857,240	1,175,435,571	1,213,835,313
Other noncurrent assets	525,614,505	555,801,397	491,121,043
Total assets	\$ 2,620,770,642	\$ 2,498,813,656	\$ 2,425,695,957
Deferred Outflows of Resources	\$ 93,655,965	\$ 13,103,421	\$ 14,034,453
Liabilities			
Current liabilities	\$ 326,572,919	\$ 292,279,807	\$ 257,020,319
Noncurrent liabilities	1,477,271,648	601,611,505	620,353,173
Total liabilities	\$ 1,803,844,567	\$ 893,891,312	\$ 877,373,492
Deferred Inflows of Resources	\$ 100,823,842	\$ 0	\$ 0
Net Position			
Net investment in capital assets	\$ 652,756,234	\$ 635,881,369	\$ 659,260,450
Restricted - nonexpendable	332,253,960	332,481,783	294,875,284
Restricted - expendable	60,585,857	74,853,494	67,042,185
Unrestricted	(235,837,853)	574,809,119	541,178,999
Total net position	\$ 809,758,198	\$ 1,618,025,765	\$ 1,562,356,918

Assets

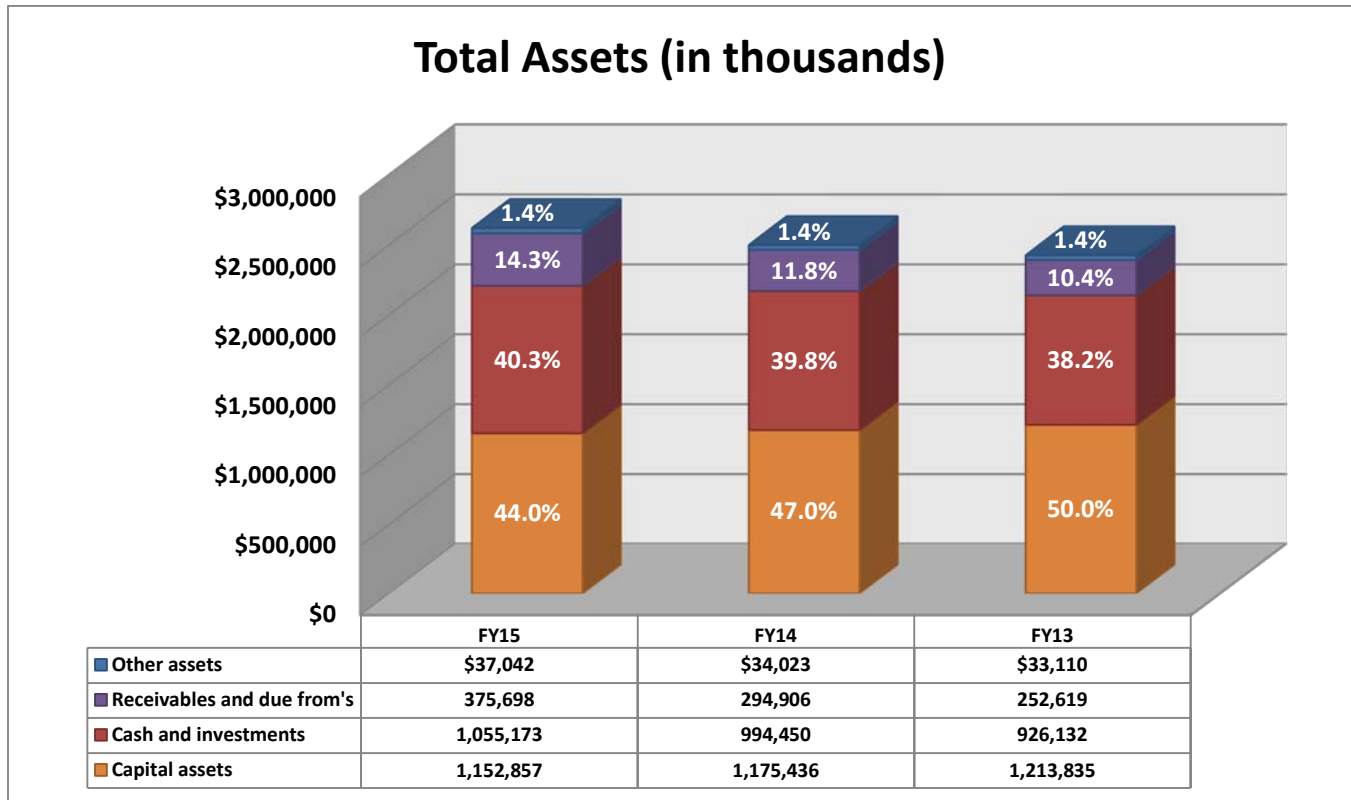
Current assets include cash and other assets that are deemed to be consumed or convertible to cash within one year. The most significant current assets of the University are cash and cash equivalents, net receivables, and short-term investments consisting of certificates of deposit, U.S. Treasury Bills, and other government-backed securities.

Noncurrent assets of the University primarily consist of endowments and capital assets, net of accumulated depreciation.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

The composition of total assets is represented in the following chart:



Total assets increased by \$122.0 million from FY14 to FY15 and \$73.1 million from FY13 to FY14. The increase in total assets from FY14 to FY15 included increases of \$80.8 million in receivables and due from's and \$60.7 million in cash and investments offset by a decrease of \$22.6 million in net capital assets. The increase in receivables and due from's was primarily the result of an increase of \$34.5 million in patient receivables, largely due to the conversion of amounts paid as Medicaid supplemental payments such as Upper Payment Limit and capitated payments such as SCI in 2014 that were billed on an individual claim basis in 2015, and an increase of \$25.9 million due from the UNM Foundation as a result of a change in the Treasury Operating Agreement, which allows the UNM Foundation to invest nonendowed gifts and endowed spending distributions until spent by the University. The increase in cash and investments was largely the result of an increase of \$40.2 million in cash and cash equivalents at the University of New Mexico Hospital. The decrease in net capital assets was due primarily to the additions to accumulated depreciation exceeding the additions to capital assets by \$22.0 million.

The increase in total assets from FY13 to FY14 included increases of \$68.3 million in cash and investments and \$42.3 million in receivables and due from's offset by a decrease of \$38.4 million in net capital assets. The increase in cash and investments was primarily the result of an increase of \$29.9 million in the University's share of the Consolidated Investment Fund (CIF), a unitized investment pool consisting of gifted endowment funds, and an increase of \$24.0 million in the University's share of the assets in the state land grant permanent fund. The increase in receivables and due from's was mostly the result of an increase of \$28.7 million in patient receivables, largely due to the implementation of the New Mexico Medicaid program called "Centennial Care," and an increase of \$20.3 million due from the UNM Foundation as a result of the change in the Treasury Operating Agreement. The decrease in net

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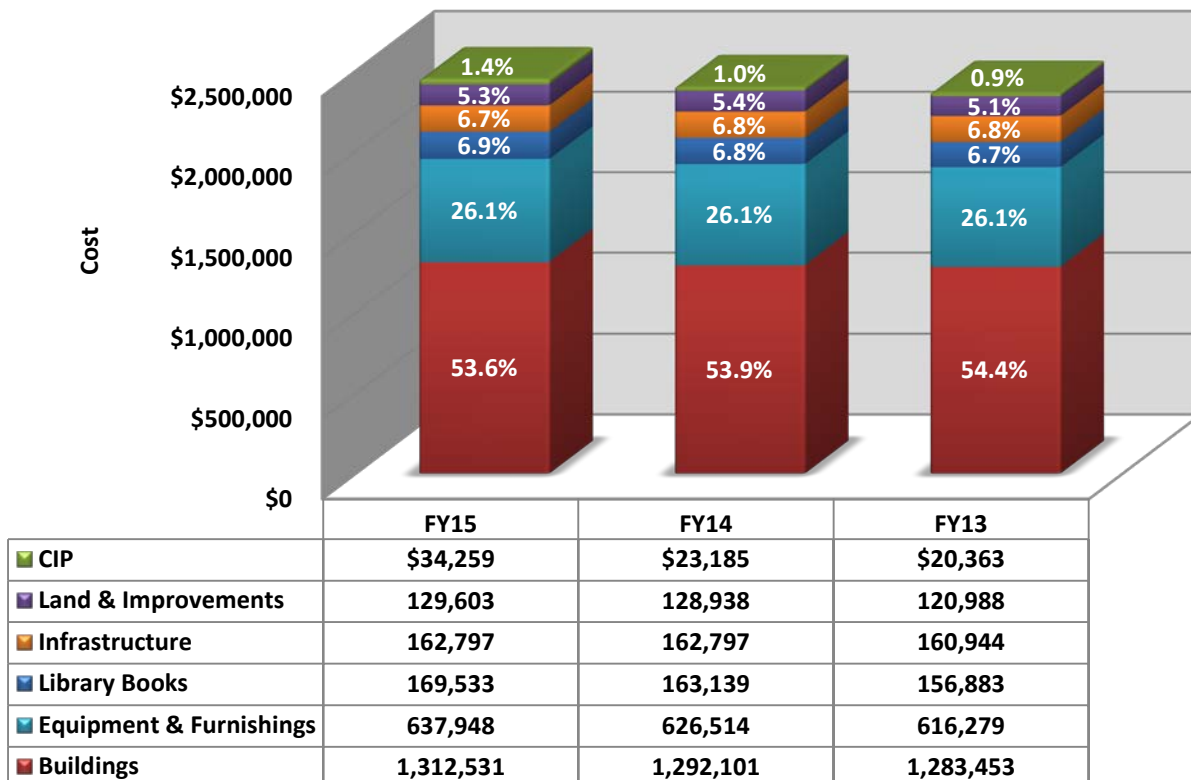
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

capital assets was due primarily to the additions to accumulated depreciation exceeding the additions to capital assets by \$37.8 million.

Capital Assets and Debt Activity: Capital assets are the largest category of noncurrent assets and are shown net of accumulated depreciation, at \$1.15 billion, \$1.18 billion, and \$1.21 billion as of June 30, 2015, 2014, and 2013, respectively. During FY15, the largest increase within capital assets for the University was Buildings. Overall, the University increased Buildings by \$18.8 million in FY15, compared to net increases of \$7.5 million in FY14 and \$35.6 million in FY13. The University's increase in Buildings in FY15 was due to renovations to existing buildings as well as the construction of a new building. The major renovations completed during FY15 were renovations totaling \$7.3 million to 1650 University Towers, \$3.4 million to Castetter Hall (Biology), and \$1.6 million to Zimmerman Library. The construction of the North Valley Clinic totaling \$4.3 million was also completed in FY15. Other major capital projects completed in FY15 include the Los Alamos Science Labs Renovation, the North Golf Course Renovations, and the McKinnon Family Tennis Center.

The University's increase in Buildings in FY14 was due to renovations to existing buildings. The major renovations completed during FY14 were renovations totaling \$4.2 million to Logan Hall (Psychology) and \$1.8 million in renovations to the Collaborative Teaching and Learning Building. Other major capital projects completed in FY14 include the Baseball Facility Renovation, the Atrisco Heritage School Clinic, and the Math Learning Lab (MaLL).

Capital Assets at Cost (in thousands)



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2015

Ongoing major projects include Chemistry Building Renovations (Clark Hall), Farris Hall Renovations, the Los Alamos EMS Classroom/Lab and Training Area, the Taos Health Careers Center, and Zollinger Library.

Clark Hall is scheduled for construction completion in January 2016. This is a project consisting primarily of extensive infrastructure upgrades but that also creates much-needed research lab space, classrooms, and office space.

The Farris Hall renovation project includes renovations to space in the Centennial Engineering Building. That renovated space will house the displaced faculty and staff currently in Farris Hall during that major renovation. The remodel to Farris Hall is to upgrade energy efficiency, code, and fire/life safety.

The Taos Health Careers Center project has received project approval from the State Board of Finance. It will convert the old civic center into education space for health sciences. Construction is scheduled to begin in October 2015. The project at Gallup Zollinger Library is to complete the basement which is currently shell space. It is currently in the design phase.

The State of New Mexico has appropriated funding for planning and design services for a new building for the Anderson School of Management and one for Physics and Astronomy. The Anderson School of Management project will be funded by \$7 million in private donations and \$18 million from the next UNM Bond issue.

Those institutional bonds will also partially fund the new Physics and Astronomy Interdisciplinary Sciences (PAIS) building with a project budget of \$65 million as well as a major renovation to Smith Plaza, renovations to the Children's Campus, and Phase 1 of the Johnson Center Expansion and Renewal project.

Phase 3 of the Health Education Building has received 2015 legislative appropriations totaling \$5.3 million which will be combined with \$12 million of 2014 GOB revenue and \$10 million in matching funds from the Health Sciences Center. This project will add approximately 75,000 square feet of additional classroom space.

Capital assets for Clinical Operations, which includes the University of New Mexico Hospital (Hospital) and the University of New Mexico Behavioral Health Operations (UNM Psychiatric Center and UNM Children's Psychiatric Center), net of accumulated depreciation, were \$239.3 million, \$247.9 million, and \$261.8 million as of June 30, 2015, 2014, and 2013, respectively. Within Clinical Operations during FY15, the largest capital increases were within major moveable equipment, which increased by \$6.7 million, and building service equipment, which increased by \$3.1 million. For the Hospital, the larger major moveable equipment purchases included a telesurgery system for operating room integration, a Somatom Definition CT scanner, and a digital diagnostic radiography system. The larger building service equipment projects included renovations in the intravenous pharmacy and eye clinic departments. For the Behavioral Health Operations, capital expenditures included improvements to the adult and children's inpatient areas, elevator replacements, and lighting and fire sprinkler upgrades.

Within Clinical Operations during FY14, the largest changes in capital assets were increases of \$9.2 million in major moveable equipment, \$2.6 million in building service equipment, and \$2.2 million in construction in progress. For the Hospital, the largest capital expenditure was the completion of the installation of the final new room for Interventional Radiology which included a single-plane

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2015

angiography lab. The next largest expenditure was for upgrades to operating rooms. This included surgical imaging equipment, which enables physicians to have instant access to previously stored patient radiological images and be able to record images during surgical procedures. In addition, operating room surgical suite integration equipment was installed in the six pediatric operating rooms. Another group of capital purchases was for replacement of the nurse call system, Phase 2 implementation of the Lawson Financial System, new ultrasound equipment, new incubators, and new ventilators. For the Behavioral Health Operations, capital expenditures included improvements to several of the Children's Behavioral cottages, HVAC upgrades, elevator replacement, fire alarm replacement, and fire sprinkler upgrades.

UNM's bonds payable totaled \$507.3 million, \$565.1 million, and \$581.1 million at June 30, 2015, 2014, and 2013, respectively. The current portion of this debt was \$20.5 million, \$19.9 million, and \$19.0 million at June 30, 2015, 2014, and 2013, respectively. Included in those totals are Federal Housing Administration (FHA) insured Hospital Mortgage Revenue Bonds. The loan guarantee is considered federal assistance subject to the requirements of Office of Management and Budget (OMB) Circular A-133 and the Single Audit Act. Accordingly, the loan guarantee is considered a federal award for purposes of UNM's June 30, 2015, 2014, and 2013 Single Audit.

Deferred Outflows of Resources

Deferred outflows of resources increased by \$80.6 million from FY14 to FY15 and decreased by \$931 thousand from FY13 to FY14. Deferred outflows of resources include deferred outflows related to pensions, interest rate swaps that are deemed cash flow hedges, and deferred losses on bond refundings. The most significant deferred outflow of resources is related to pensions. The recognition of a deferred outflow of resources related to pensions resulted from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*, which was effective beginning in FY15. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pensions. The amount recognized as a deferred outflow of resources related to pensions was \$80.4 million as of June 30, 2015 and is comprised of cash contributions of \$64.8 million made by the University to the defined benefit plan during FY15 and \$15.6 million resulting from the change from FY13 to FY14 in the University's proportionate share of total employer contributions to the pension plan.

Liabilities

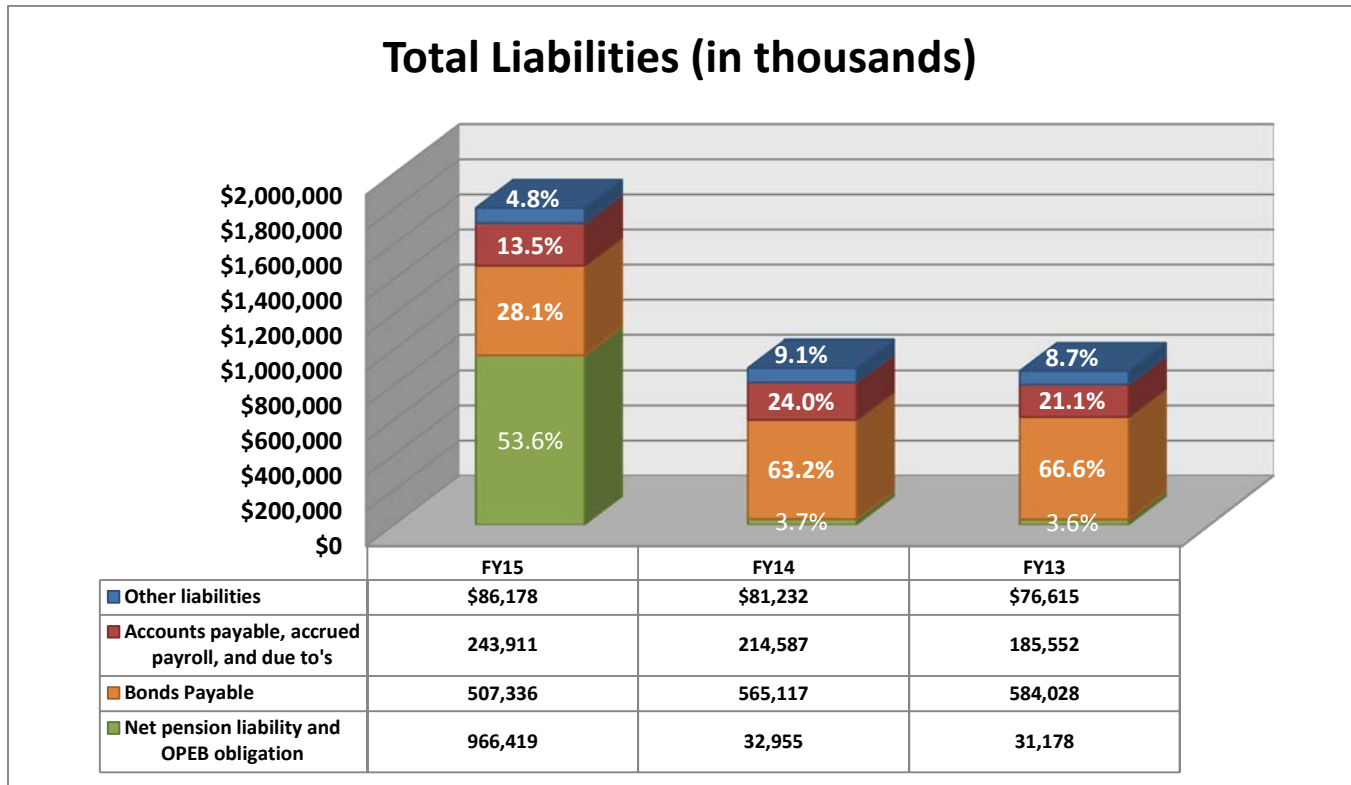
Current liabilities are generally defined as amounts due within one year. The most significant current liabilities of the University are accounts payable, accrued payroll, unearned revenue, and accrued compensated absences.

Noncurrent liabilities of the University primarily consist of the net pension liability, the noncurrent portion of bonds payable, and the net Other Postemployment Benefits (OPEB) obligation.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

The composition of total liabilities is represented in the following chart:



Total liabilities increased by \$910.0 million from FY14 to FY15 and \$16.5 million from FY13 to FY14. The increase in total liabilities from FY14 to FY15 included increases of \$933.5 million in net pension liability and OPEB obligation and \$29.3 million in accounts payable, accrued payroll, and due to's offset by a decrease of \$57.8 million in bonds payable. The increase in net pension liability and OPEB obligation is comprised of the initial recognition in FY15 of a net pension liability of \$937.8 million due to the implementation of GASB Statement No. 68 and a decrease of \$4.3 million in the net OPEB obligation. The increase in accounts payable, accrued payroll, and due to's was primarily the result of a \$17.5 million increase in the amount payable to vendors and employees, an \$11.2 million increase in the estimated third-party payor settlements liability within the Clinical Operations, and a \$3.0 million increase in accrued compensated absences. The decrease in bonds payable was primarily the result of the refundings and redemptions of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2003A, 2003B, 2003C, and 2005 and the Federal Housing Administration (FHA) insured Hospital Mortgage Revenue Bonds, Series 2004, which resulted in the reduction of the principal balances.

The increase in total liabilities from FY13 to FY14 included increases of \$29.0 million in accounts payable, accrued payroll, and due to's and \$4.6 million in other liabilities offset by a decrease of \$18.9 million in bonds payable. The increase in accounts payable, accrued payroll, and due to's was primarily the result of a \$17.1 million increase in the amount payable to vendors and employees, a \$4.3 million increase in the amount due to a fiduciary fund, a \$1.8 million increase in the net OPEB obligation, and a \$1.8 million increase in accrued compensated absences. The increase in other liabilities was predominantly the result of a \$4.7 million increase in advances on contracts and grants. The decrease in bonds payable was the result of principal payments on bonds in FY14 without the issuance of any new bonds.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

Deferred Inflows of Resources

Deferred inflows of resources increased by \$100.8 million from FY14 to FY15. There were no deferred inflows of resources recognized prior to FY15. Deferred inflows of resources include deferred inflows related to pensions and deferred gains on bond refundings. The most significant deferred inflow of resources is related to pensions. The recognition of a deferred inflow of resources related to pensions resulted from the implementation of GASB Statement No. 68. The amount recognized as a deferred inflow of resources related to pensions was \$99.9 million as of June 30, 2015 and is comprised of \$85.2 million for the net difference between projected and actual earnings on pension plan investments, \$14.0 million for the differences between the expected and actual experience in the measurement of the total pension liability, and \$662 thousand resulting from the change from FY13 to FY14 in the Clinical Operations' proportionate share of total employer contributions to the pension plan.

Net Position

Total net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) is classified by the University's ability to use the net position to meet operating needs. Net position that is restricted as to its use by sponsoring agencies, donors, or other non-UNM entities is classified as either "nonexpendable" or "expendable." Restricted nonexpendable net position includes true endowments and State Land and Permanent Fund. Restricted expendable net position is generated by contracts, grants, gifts, and assets required to be set aside for debt service. The restricted net position is further classified in general terms as to the function for which it must be used. Unrestricted net position may be used to meet operating needs of the University.

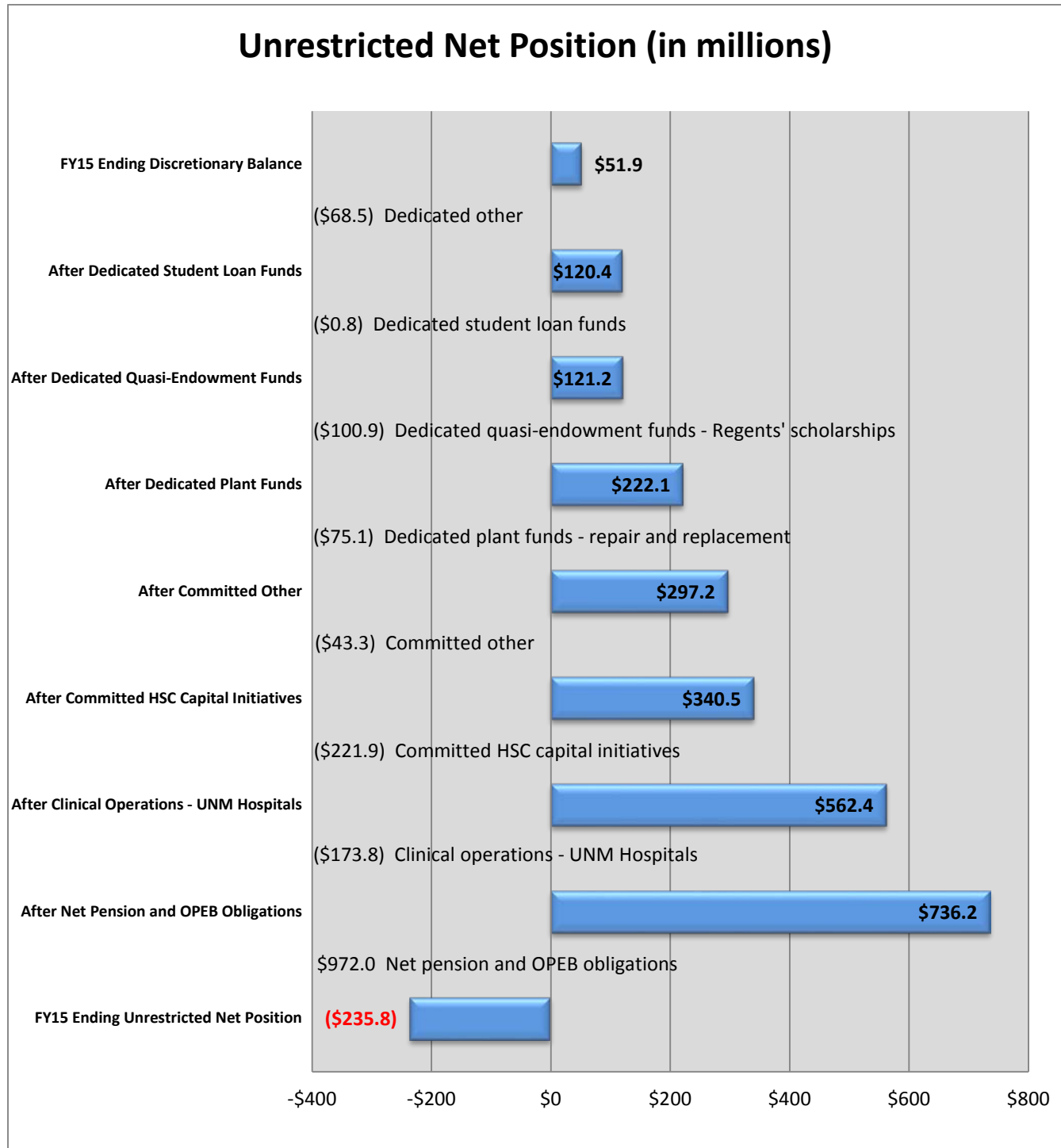
Unrestricted Net Position: Unrestricted net position is subject to contractual commitments and dedications to support the missions of the University in current and future years. The net position of unrestricted funds of the Primary Institution fall into one of three categories:

- 1) Committed: A formal, written commitment/contract has been made for these funds. Examples include signed employment offer letters to Deans, Department Chairs, and Research Faculty, start-up funds for new research projects, cost share on awarded sponsored agreements, and appropriated state funding for special projects.
- 2) Dedicated: An Executive Vice President, Vice President, Dean, or Department Chair has dedicated these funds for a clear, focused purpose to support the missions of the University.
- 3) Discretionary: The remaining funds that are not committed or dedicated.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2015

The chart below is a step-down analysis of the University's unrestricted net position:



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2015

Statement of Revenues, Expenses, and Changes in Net Position

A comparison of the University's revenues, expenses, and changes in net position for the years ended June 30, 2015, 2014, and 2013 is as follows:

	2015	2014	2013
Operating Revenues			
Tuition and fees, net	\$ 134,670,377	\$ 138,115,447	\$ 130,300,603
Grants and contracts	271,172,386	262,058,256	264,911,978
Other patient-related services	264,636,778	144,596,266	98,392,335
Sales and services, net	237,601,964	211,747,386	219,032,452
Other operating revenues	51,568,614	42,061,604	41,387,857
Clinical operations, net	636,803,664	555,626,111	539,463,018
Total operating revenues	\$ 1,596,453,783	\$ 1,354,205,070	\$ 1,293,488,243
Operating Expenses			
Instruction	\$ 281,539,273	\$ 267,251,445	\$ 255,178,768
Research	172,109,446	170,779,418	169,427,660
Public service	346,203,712	315,148,991	300,456,308
Academic support	49,868,586	48,652,384	46,039,723
Student services	29,641,098	28,790,932	25,738,176
Institutional support	67,523,733	61,494,708	56,232,354
Operation of plant	146,048,891	148,907,606	148,821,576
Student aid and activities	47,976,706	57,066,830	58,745,976
Intercollegiate athletics	31,825,352	30,809,738	30,216,179
Auxiliary enterprises	53,232,478	49,729,746	57,297,244
Other operating expenses	50,440,105	50,171,114	48,273,912
Clinical operations	732,228,685	686,303,468	648,287,991
Total operating expenses	\$ 2,008,638,065	\$ 1,915,106,380	\$ 1,844,715,867
Nonoperating Revenues			
Appropriations	\$ 315,878,587	\$ 300,150,920	\$ 288,190,626
Federal pell grants	50,691,119	54,015,619	54,884,892
Gifts	26,918,337	27,923,651	26,768,949
Investment income	11,318,098	70,178,886	45,472,407
Other nonoperating revenues	10,427,432	17,172,659	17,115,241
Clinical operations	116,027,009	139,649,811	111,750,754
Net nonoperating revenues	\$ 531,260,582	\$ 609,091,546	\$ 544,182,869
Income (loss) before capital contributions	119,076,300	48,190,236	(7,044,755)
Capital contributions	24,622,466	7,478,611	22,169,985
Change in net position	\$ 143,698,766	\$ 55,668,847	\$ 15,125,230
Net position - beginning of year	1,618,025,765	1,562,356,918	1,547,231,688
Impact of change in accounting pronouncement	(951,966,333)	0	0
Net position - end of year	\$ 809,758,198	\$ 1,618,025,765	\$ 1,562,356,918

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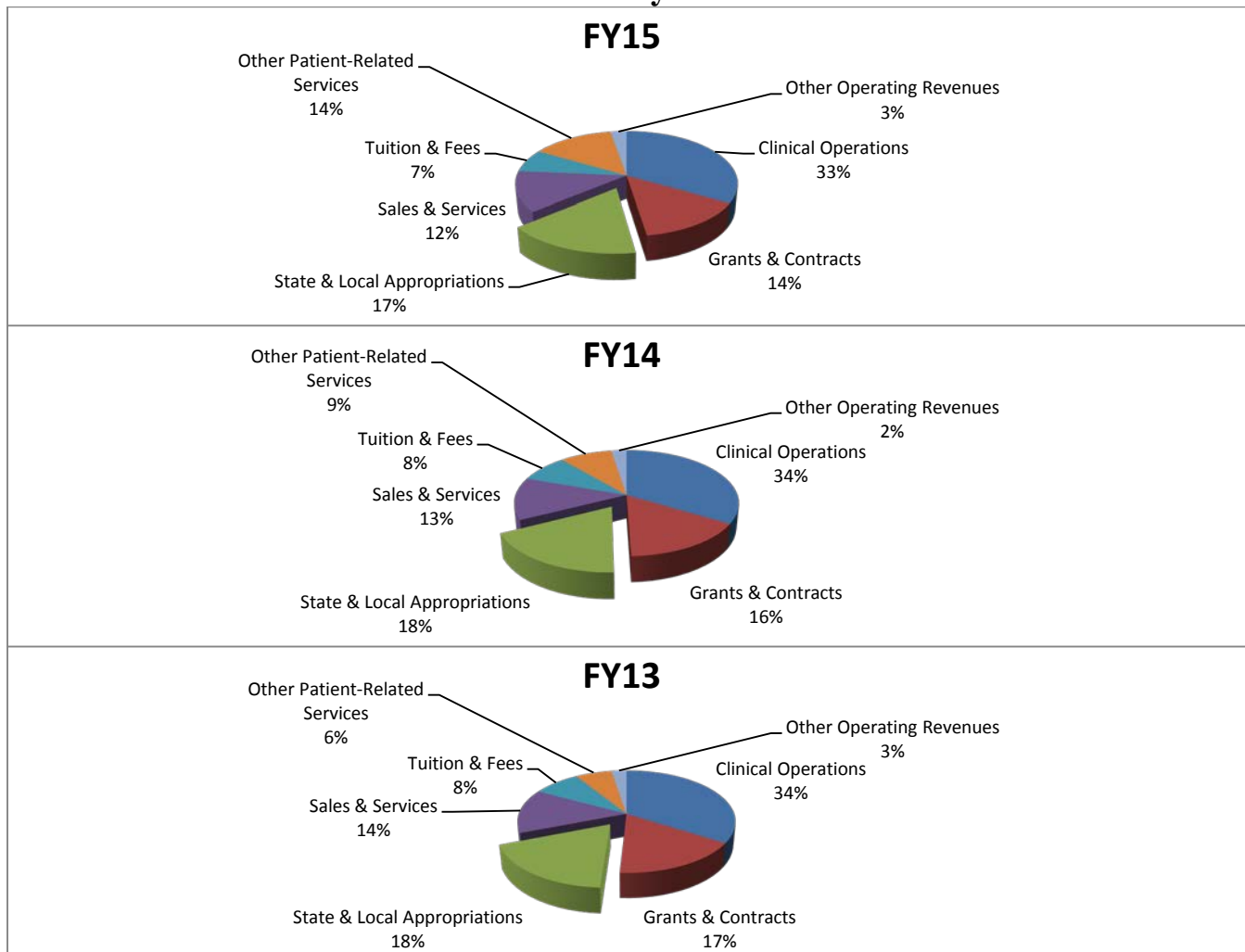
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2015

Revenues

The presentation of revenues, as defined by GASB, requires that state and local appropriation income be excluded when calculating the financial results of operations. This presentation method results in an “operating loss.” The operating loss is offset by “nonoperating revenues (expenses)” to arrive at an actual result of operations amount. The definition of “nonoperating revenues” revolves around the concept of exchange versus nonexchange transactions. State and local appropriations, along with the Bernalillo County Mill Levy, are considered revenues from nonexchange transactions, because they do not involve an exchange of value for value. Conversely, tuition income is defined as “operating revenues,” because a student pays tuition (value) to receive an education (value). Other nonoperating revenues are federal pell grants, state lottery scholarships, gifts, and income from investing and capital activities.

Although State of New Mexico appropriations are considered nonoperating revenues in the basic financial statements, the University uses these funds to support all instruction and general programs. If state and local appropriations were included in operating revenues, they would comprise 17%, 18%, and 18% of total operating revenues for fiscal years 2015, 2014, and 2013, respectively. The following charts depict operating revenues (with state and local appropriations) by source:

Revenues by Source



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

Operating Revenues: Operating revenues for the University increased by 17.9% for 2015 over 2014 and 4.7% for 2014 over 2013. Revenues from Clinical Operations and other patient-related services are a significant portion of the University's total net operating revenues. It is comprised of gross patient revenues, net of contractual allowances, charity care, provision for doubtful accounts, and any third-party cost report settlements. Revenues from Clinical Operations and other patient-related services increased by 28.7% from FY14 to FY15 and 9.8% from FY13 to FY14.

UNM Health Sciences Center (HSC) offers a financial assistance program called UNM Care to which all eligible patients are encouraged to apply. This program assigns patients primary care providers and enables them to receive care throughout UNM HSC locations. This program is available to Bernalillo County residents who meet certain income and asset thresholds. Patients applying for coverage under UNM Care must apply for coverage under Medicaid or the Health Insurance Exchange (HIX), if eligible. Patients may continue to receive UNM Care until they receive Medicaid eligibility or notification of coverage under the HIX. Patients certified under Medicaid or the HIX may continue to qualify for UNM Care as a secondary coverage for copays and deductibles if they meet the income guidelines. UNM HSC uses the same sliding income scale as the Affordable Care Act to determine if insurance coverage is considered affordable. If coverage is determined not affordable, patients may be granted a hardship waiver to qualify for UNM Care and would not be required to pursue coverage under HIX.

As of June 30, 2015, 2014, and 2013, there were approximately 7,000, 20,200, and 26,500 active enrollees in UNM Care, respectively. The income threshold for UNM Care is 300% of the federal poverty level, and patients may apply for this program at various locations throughout the UNM HSC and various community locations. UNM HSC does not pursue collection of amounts determined to qualify as charity care, with the exception of copayments.

UNM HSC provides care to patients who are either uninsured or under-insured and who do not meet the criteria for financial assistance. UNM HSC encourages patients to meet with a financial counselor to develop payment arrangements. Although UNM HSC pursues collection of these accounts, usually through an extended payment plan or a discounted rate, interest is not charged on these accounts, liens are not placed on property or assets, and judgments are not filed against the patients. These accounts are fully reserved and recorded as a provision for uncollectible accounts. Provision expenses recorded for fiscal years 2015, 2014, and 2013 were \$66.9 million, \$137.0 million, and \$103.5 million, respectively.

UNM HSC incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2015, the estimated cost of care for providing these services was \$124.7 million compared to \$229.5 million in FY14 and \$241.7 million in FY13.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2015

UNM's total credit hour production for 2014-15 was 682,796. This represents a 2% decrease from prior year largely attributed to lower adult enrollment due to economic recovery. A large increase in degree production and strong retention of traditional students are good indicators of future enrollment stability. Strategic initiatives to grow traditional students with less volatility will be the emphasis for the following year. Enrollment and tuition rate changes in academic functions of the University were as follows:

	<u>Fall 2014</u>	<u>Fall 2013</u>	<u>Fall 2012</u>
Enrollment change (headcount)	-2.5%	-1.3%	-0.1%
Tuition rate change (full-time resident undergraduate)	0%	6.6%	4.1%

Nonoperating Revenues/Expenses: Net nonoperating revenues decreased by 12.8% from FY14 to FY15 and increased by 11.9% from FY13 to FY14. Nonoperating revenues are primarily driven by state appropriations, federal pell grants, gifts received by the University, and investment income/loss. The major reason for the decrease in nonoperating revenues in FY15 was an \$84.2 million decrease in investment income, which is comprised of a \$58.9 million decrease at the University and a \$25.3 million decrease at the Clinical Operations, due to weakened investment market conditions. Other significant changes in net nonoperating revenues were an increase of \$16.3 million in state appropriations and decreases of \$3.3 million in federal pell grants and \$3.0 million in state lottery scholarships.

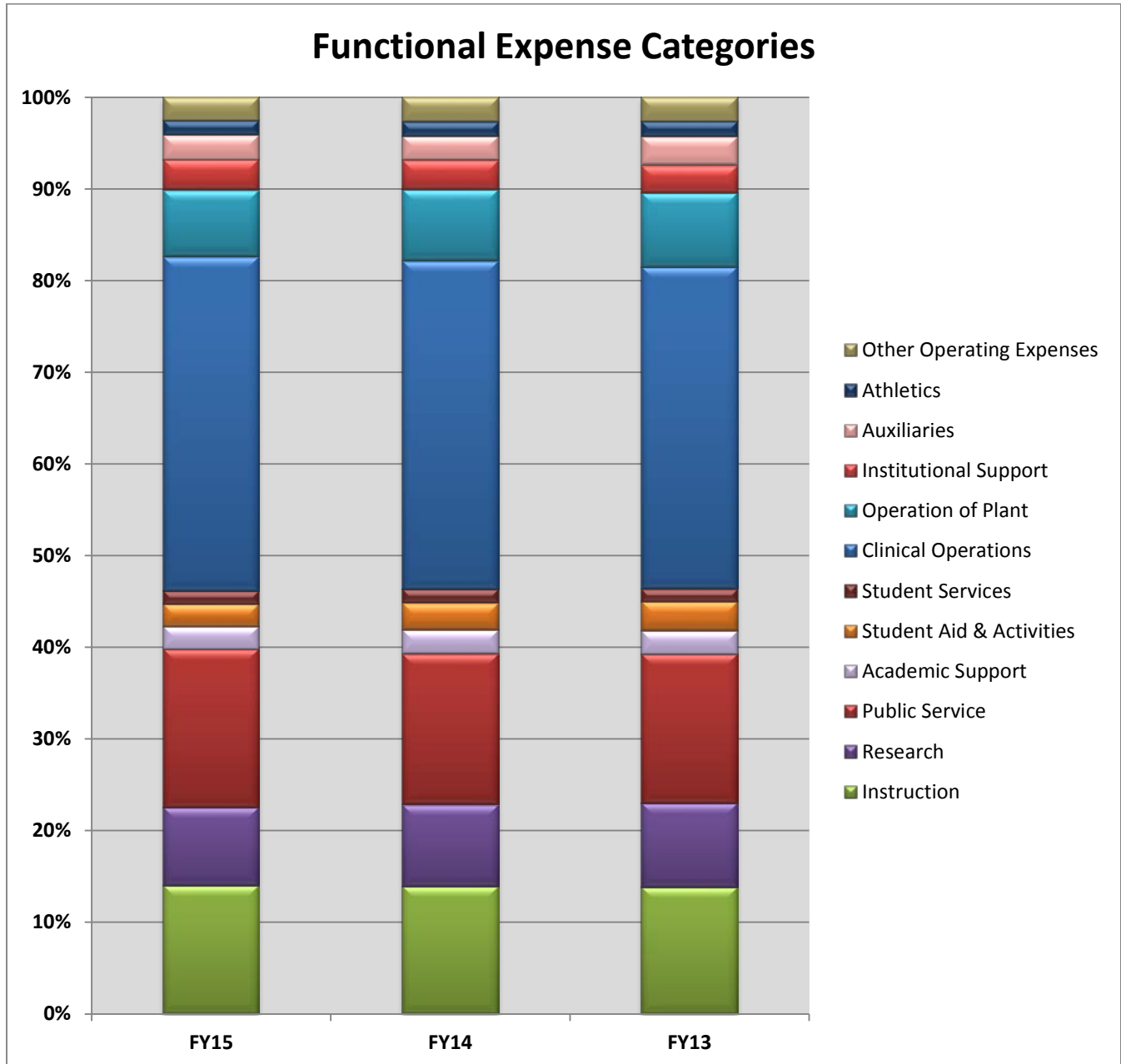
The major reason for the increase in nonoperating revenues in FY14 was a \$24.7 million increase in investment income due to improvement in the investment market. Other significant changes in net nonoperating revenues were increases of \$13.1 million in state appropriations and \$3.5 million in state lottery scholarships.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2015

Expenses

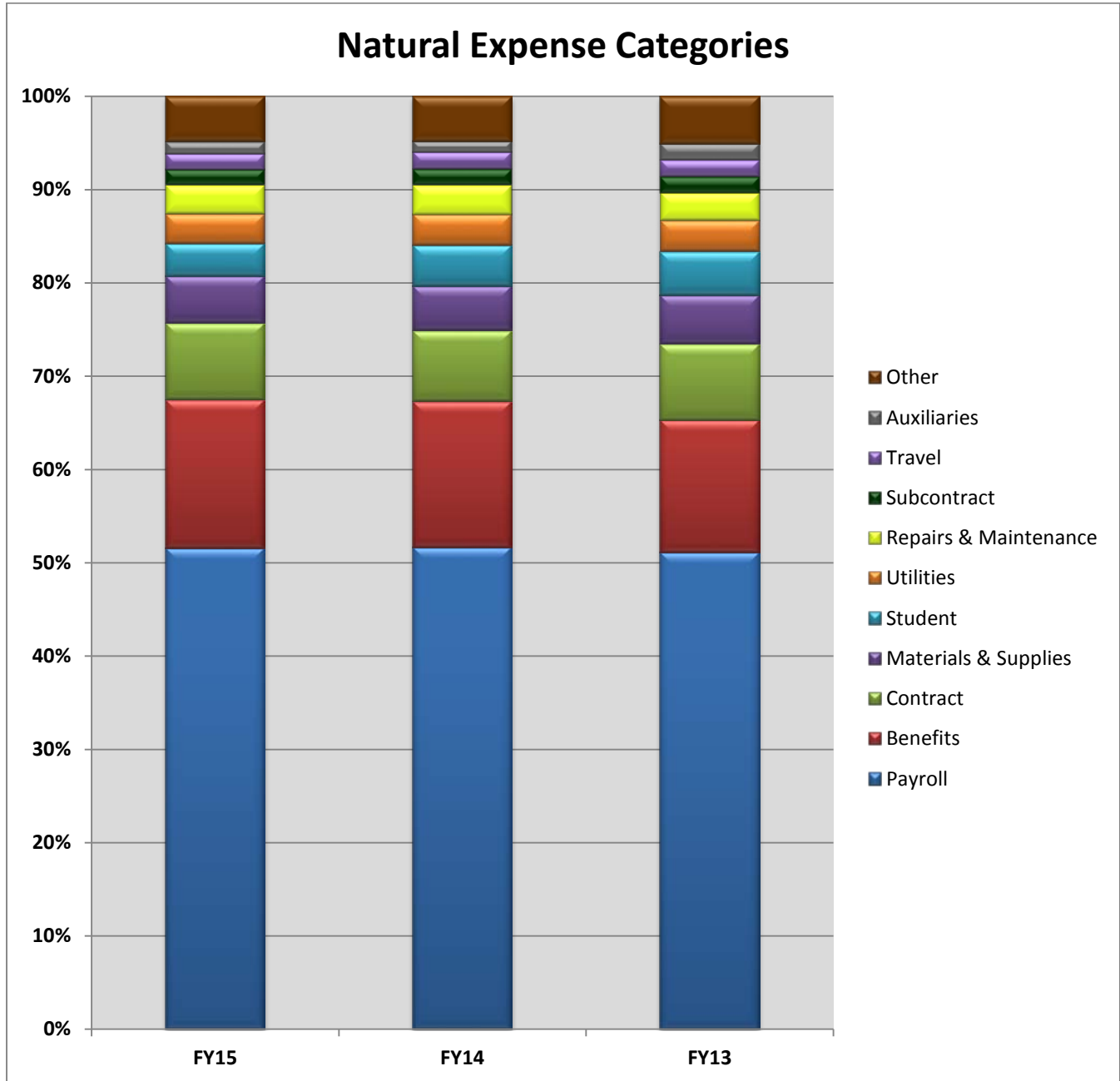
Operating Expenses: GASB standards allow public universities to present operating expenses in either a functional or natural format. UNM chose to present expenses on the statement of revenues, expenses, and changes in net position by the major functions of the University. The chart below shows the distribution of operating expenses by functional category (smaller categories have been combined) for the years ended June 30, 2015, 2014, and 2013:



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2015

The chart below shows total expenses by natural category (excluding Clinical Operations) for the years ended June 30, 2015, 2014, and 2013:



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

Changes in Net Position

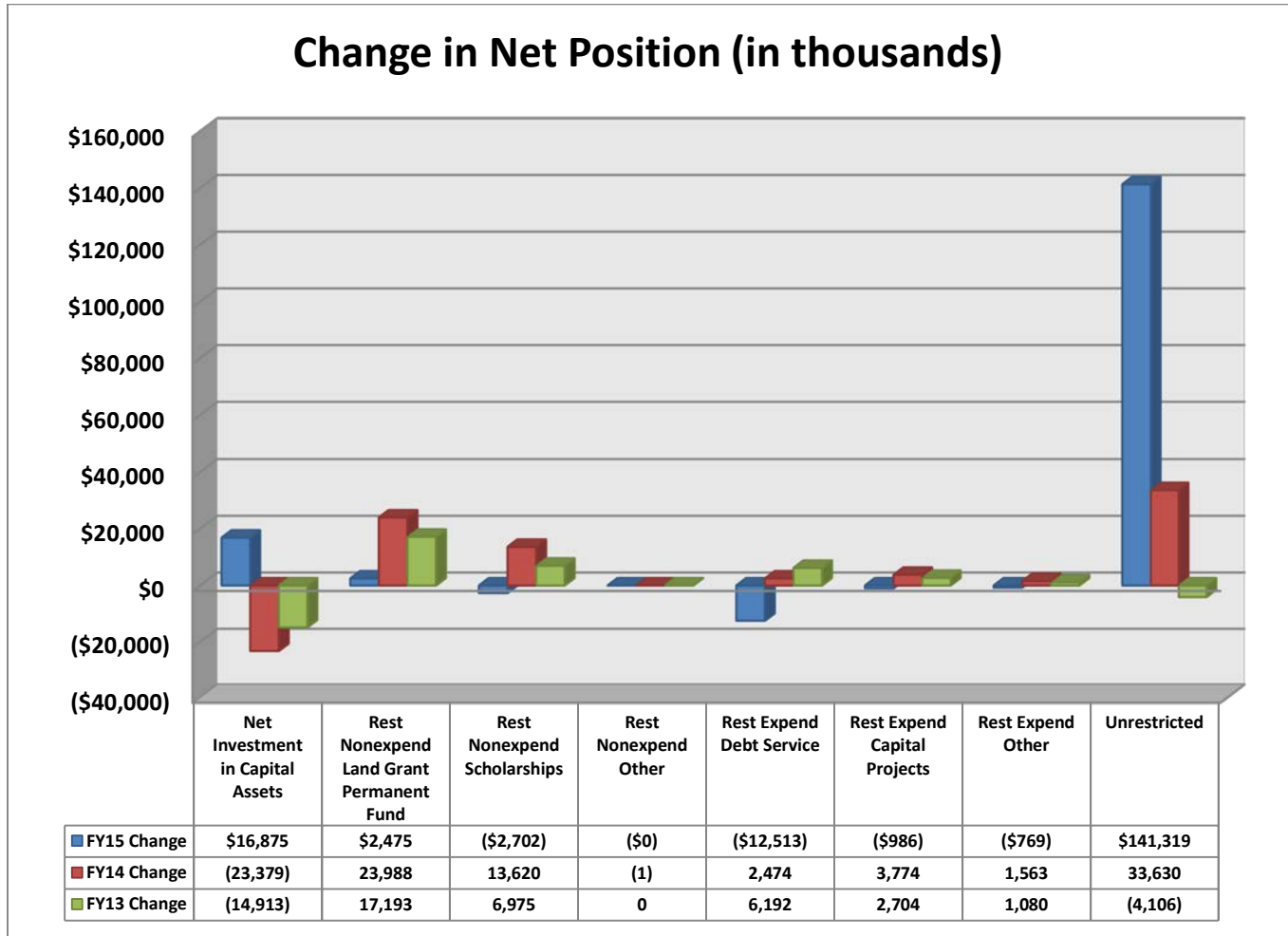
The University's total change in net position showed a net decrease of \$808.3 million for FY15 and net increases of \$55.7 million for FY14 and \$15.1 million for FY13. The major changes in net position in FY15 include decreases of \$810.6 million in unrestricted net position and \$12.5 million in the net position of the debt service and a \$16.9 million increase in net investments in capital assets. The most significant reason for the decrease in unrestricted net position was the restatement of the FY15 beginning net position as a result of the implementation of GASB Statement No. 68, which decreased unrestricted net position by \$952.0 million. To a much lesser extent, a \$5.7 million net investment loss on the University's share of the CIF also decreased the unrestricted net position. A \$123.7 million increase in the net position of the HSC capital initiatives committed for the development of clinical facilities and a \$4.3 million decrease in the net OPEB obligation resulted in increases to the unrestricted net position. The decrease in the net position of the debt service was primarily due to the refunding of the Federal Housing Administration (FHA) insured Hospital Mortgage Revenue Bonds, Series 2004, which reduced the total debt service through a combination of lower interest rates and using the balances in the no longer required 2004 Series mortgage reserve, debt service reserve, collateral, surplus, and redemption accounts. The increase in the net position of net investments in capital assets was primarily due to a \$10.7 million increase in construction in progress at the University and a \$42.9 million decrease in the bonds payable at the Clinical Operations due to the refunding of the Federal Housing Administration (FHA) insured Hospital Mortgage Revenue Bonds, Series 2004.

The major changes in net position in FY14 include increases of \$33.6 million in unrestricted net position and \$24.0 million in the net position of the land grant permanent fund and a \$23.4 million decrease in net investments in capital assets. Some of the major reasons for the increase in unrestricted net position in FY14 include \$16.4 million in net investment income on the University's share of the CIF, an increase of \$16.9 million in the net position of plant funds used for unrestricted capital projects and equipment, and an increase of \$14.8 million in the unrestricted net position of Clinical Operations. The increase in the net position of the land grant permanent fund was due to the recognition of \$24.0 million in net unrealized gains in FY14. The decrease in the net position of net investments in capital assets was due primarily to the additions to accumulated depreciation exceeding the additions to capital assets by \$37.8 million.

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 Year Ended June 30, 2015

The chart below shows the changes in net position by category for the fiscal years ended June 30, 2015, 2014, and 2013. For better comparability, it excludes the restatement of the FY15 beginning net position as a result of the implementation of GASB Statement No. 68, which decreased unrestricted net position by \$952.0 million:



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2015

Statement of Cash Flows

A comparison of the University's changes in cash and cash equivalents for the years ended June 30, 2015, 2014, and 2013 is as follows:

	2015	2014	2013
Cash provided by (used in):			
Operating activities	\$ (323,305,408)	\$ (474,555,036)	\$ (435,407,122)
Noncapital financing activities	508,884,784	525,322,657	507,667,787
Capital and related financing activities	(146,136,248)	(93,476,420)	(121,190,894)
Investing activities	25,675,557	42,668,538	44,633,924
Net increase (decrease) in cash and cash equivalents	65,118,685	(40,261)	(4,296,305)
Cash and cash equivalents — beginning of year	186,128,041	186,168,302	190,464,607
Cash and cash equivalents — end of year	\$ 251,246,726	\$ 186,128,041	\$ 186,168,302

The Statement of Cash Flows provides additional information about the University's financial results by reporting the major sources and uses of cash during the fiscal year. The statement assists in evaluating the University's ability to generate future net cash flows to meet its obligations as they become due and aids in determining the need for external financing. The statement is divided into four sections based on major activity: operating, noncapital financing, capital and related financing, and investing.

Cash received from operations consists primarily of receipts from insurance and patients, student tuition and fees, and grants and contracts. Payments to employees and suppliers represent the largest use of cash for operations. Cash provided by noncapital financing activities is used to fund operating activities in a public university, such as UNM. Major sources of cash provided by noncapital financing activities for the University are state appropriations, federal Pell grants, Bernalillo County mill levy, and gifts to the University. Capital and related financing activities consist primarily of payments on the purchase of capital assets, principal and interest payments on bonds, and cash received on capital appropriations and bond issuances. Cash flows from investing activities include shifts between cash and investments, distributions from the state land grant permanent fund, and investment income.

Fiduciary Fund

Effective July 1, 2013, the University established the University of New Mexico Welfare Benefit Trust (Trust), a voluntary employees' beneficiary association (VEBA) trust. The Trust is tax exempt under section 501(c)(9) of the Internal Revenue Code and is a blended component unit of the University presented as a fiduciary fund (exhibits D and E). The Trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of other postemployment benefits for eligible retirees of the University. In order for a retiree of the University to be eligible for other postemployment benefits, the employee must have been hired prior to July 1, 2015 and must contribute to the Trust for at least five continuous years immediately prior to retirement. The University matches the employees' contributions to the Trust. In FY15, the University and employee contributions were \$3.1 million each, and the Trust earned \$51,529 in investment income. In FY14, the University

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and employee contributions were \$2.1 million each, and the Trust earned \$6,592 in investment income.

Budget Activity

Operating budgets are submitted for approval to the Board of Regents, the New Mexico Higher Education Department (HED), and the State Budget Division of the Department of Finance and Administration (DFA). Similarly, separate legislative budget requests are submitted to the Board of Regents, HED, and the DFA for inclusion in the State of New Mexico Executive Budget for consideration of appropriations by the state legislature.

Original budgets for each fiscal year are prepared many months in advance based on: (a) prior year expenditure and revenue activity, (b) best estimates of projected revenue and expenditure activity for the budgeted year, and (c) internal budget reviews with departments on campus. During the fiscal year, original budgets are revised to more accurately reflect current needs of the institution and to include previously unanticipated events in both revenues and expenditures categories.

Several of the more significant events in FY15 for the Main Campus were the State Instruction and General (I&G) General Fund appropriation increase for operations of \$8.7 million or 4.86%, and a 3% and 2.5% faculty and staff compensation increase respectively. Additionally, contributions to the University's retirement program increased 0.75% to further solidify the financial underpinnings of this program. The salary increases were possible because of the additional state support but, more importantly, as the result of internal budget reallocations. State funding for Research and Public Service Projects (RPSP's) increased across the board, although these increases were modest. Finally, the University experienced a 1.5% decrease in Student Credit Hours (SCH) which resulted in a revenue shortfall of \$3.6 million. The FY15 revenue shortfall was funded with the use of one-time reserves.

In terms of overall FY15 Main Campus revenues, there was a significant decrease of \$79.0 million or 8.7%. The decrease was mainly attributable to a decrease in use-of-balance funding (primarily in the capital area) of approximately \$67.0 million and other more modest decreases in federal appropriations, grants/contracts, and sales and services. As was the case during FY14, Main Campus actual expenditures were greater than budgeted expenditures, with departments across campus expending balances that had accumulated over several years. These expenditures have been committed to one-time purchases such as equipment replacement and facility remodels/upgrades and is a welcome activity as the University continues to allocate its resources to work following the economic downturn.

At HSC, significant budgetary changes from original to revised in FY15 included: (a) an increase in patient revenue due to increased patient volume of \$16.6 million, (b) an increase in earned facilities and administrative (F&A) cost recovery, tuition differentials, fees, and services totaling \$4.8 million, (c) an increase in gains on restricted contracts and grants of \$3.4 million, (d) an increase in gift and endowment revenue of \$2.0 million, (e) increased compensation expense totaling \$12.1 million due to greater patient volume in clinical faculty FTE and retention, and (f) an increase in endowment expenditures and scholarships of \$1.1 million.

HSC's original unrestricted revenue budget to actual was an overall increase of \$34.9 million, or 8.4%. Significant categories include: (a) actual F&A revenue was \$2.8 million greater than budget, (b) actual institutional support was \$2.5 million greater than budget, and (c) actual patient revenue was \$25.5 million greater than budget. HSC's original restricted budget to actual was an overall revenue decrease of contract and grant revenue of \$18.6 million due to actual expenses coming in less than original

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Year Ended June 30, 2015

budget.

HSC's original unrestricted expenses and transfers budget to actual was an overall net increase of \$17.6 million, or 4.2%. Significant categories include: (a) actuals for instruction and general were \$4.9 million greater than budget, (b) actuals for research were \$4.4 million less than budget, (c) actuals for public service were \$16.5 million greater than budget, (d) actuals for independent operations were \$1.5 million greater than budget, and (e) actuals for student aid grants and stipends were \$791 thousand less than budget.

Overall, the University's change in net position on a budgetary basis for unrestricted and restricted funds was an increase of \$140.0 million (schedule 7), which for FY15 can be directly attributed to the retirement of indebtedness related to the refunding of the University's Series 2005 Bonds. Absent this event, Main Campus tuition & fee revenues decreased slightly as the result of a 1.5% enrollment decline, while Main Campus federal government appropriations and contracts/grants also decreased. The University's change in net position on a budgetary basis for unrestricted I&G funds was a decrease of \$900,000 (schedule 8), as units across campus spent reserves on strategic initiatives.

Endowments

At June 30, 2015, endowment assets totaled \$615.3 million, including \$405.8 million in the Consolidated Investment Fund (CIF) and \$209.5 million in the University's share of the state's Land Grant Permanent Fund.

The UNM Board of Regents has delegated authority to the UNM Foundation Investment Committee to act as the official "Advisory Committee" to oversee and manage the combined endowment assets of the University and the Foundation. The pooled assets are combined for investment purposes and operated as a unitized pool known as the CIF.

The CIF finished the fiscal year with a return on investment of 0.5%, as compared to 16.7% in the previous fiscal year. During the fiscal year ended June 30, 2015, U.S. equities and international equities in the CIF posted returns of 7.4% and -6.3%, respectively. Private equity investments returned 9.4%, real assets returned -12.6%, fixed income investments returned -2.9%, and marketable alternatives returned 5.4%.

Sponsored Programs

The University is a Carnegie Doctoral-Granting Research University/Very High research activity (RU/VH) - one of 108 nationwide. This high distinction is carried by 73 public and 35 private institutions. In order to be classified as such an institution, universities must offer a full range of baccalaureate programs, be committed to graduate education through the doctorate, give high priority to research, award 20 or more doctoral degrees each year, and be in the upper third of research expenditures compared to other doctoral granting universities.

During FY15, federal and state agencies, industry, foundations, and national laboratories awarded \$339.1 million in contract and grant awards to UNM for sponsored projects ranging from engineering to medicine and education to the humanities. The Main and Branch campuses were awarded \$178.3 million, and the HSC was awarded \$160.8 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2015

The majority of contracts and grants, 67%, were awarded by federal agencies, while the remaining came from the following sources: State of New Mexico, 12%; foundations, 8%; industry, 7%; and other, 6%.

Factors Impacting Future Periods

With the goal of creating an innovation ecosystem in downtown Albuquerque, Innovate ABQ, a collaborative initiative between UNM, STC.UNM, government, and the business community, was launched in 2013. Innovate ABQ is a project that includes financial contributions from UNM, STC.UNM, the City of Albuquerque, the County of Bernalillo, the U.S. Economic Development Administration, and Nusenda Credit Union. It will create an integrated community that is multidimensional. Research and commercial labs, science and technology companies, educational programs, business services, support services, and commercial and retail businesses will share space and a business incubator in a way that allows people to work together and be an essential part of the community that is connected to UNM. The mission is to strengthen the economic base in the mid-Rio Grande region and throughout the State of New Mexico by creating more knowledge-worker jobs for graduates from New Mexico educational institutions and providing more experienced workers in the community. A seven-acre property in downtown Albuquerque was acquired, which will be the physical site for Innovate ABQ and the heart of a larger innovation district. Master planning for the site has commenced.

The University has identified five building projects as the top capital priorities for the campus. They include the construction of a new Physics/Astronomy and Interdisciplinary Science (PAIS) facility, the Johnson Center expansion and renewal, a new building for the Anderson School of Management, renovation of Smith Plaza/Union Square, and increasing the capacity of the UNM Children's Campus. The costs for these projects are estimated at \$100 million, and funds will come from private donations and institutional bonds, if approved.

In August 2015, the State communicated during a Medicaid Advisory Committee meeting that the State had a \$45 million shortfall in the Medicaid budget. The State indicated that they will be meeting with the Managed Medicaid payers and the hospitals to discuss strategies on how to balance their budget. The Hospital may experience payment reductions from the Managed Medicaid payers as well as reductions in other Medicaid funding received directly from the State. Management is not able to estimate the impact, if any, of reductions in reimbursement to the Hospital with respect to the budget shortfall.

The Bernalillo County mill levy the Hospital receives is based on property values. It is possible that the amount of the mill levy may remain flat or potentially decrease as a result of reduced property values and slowdowns in the building construction industry. The voters approved the renewal of the mill levy in the November 2008 election. The mill levy is subject to approval by the Bernalillo County voters every eight years, and it will be up for renewal in the November 2016 election.

The Hospital plans to build out the second and fourth floors of the existing Cancer Center clinic. The build out will add multidisciplinary cancer clinics integrating surgical oncology specialties as well as provide for expansion of chemotherapy infusion. New cancer service lines to be added or expanded as a result of the build out include hematologic malignancies, bone marrow and stem cell transplantation program, clinical trials program, experimental therapeutics, an adolescent and young adult oncology program (ages 16-39), as well as a Cancer Survivorship Program. The costs for the build out are estimated to be \$11.6 million. The Hospital plans to renovate a building purchased in FY14 as an

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Year Ended June 30, 2015

obstetric and urogynecology clinic in the Northeast Heights of Albuquerque. The planned clinic will be 21,000 square feet and have 22 exam rooms. The costs for the construction and renovation are estimated to be \$5.0 million.

In addition, the Hospital is the only Level I Trauma Center in the State and is at physical capacity to treat adult patients. As a result, replacing UNM Hospital is of the highest priority. The existing adult facility was constructed in multiple phases starting in 1954 and added on to in 1966, 1976, 1984, and 1991. The most recent large scale renovation was to replace the Children's Hospital in 2007. The older areas include 236 adult inpatient beds, surgical suites, a Cardiac Catheterization Lab, Interventional Radiology, and Ambulatory Care Clinics. The age and physical limitations at UNM Hospital create an urgent need for a modern replacement hospital.

The Hospital is currently constructing plans to build a new 360-bed Adult Acute Care Hospital to replace UNM Hospital on land west of University Boulevard. An additional 48 psychiatric and behavioral health beds would also be housed at this location. It is estimated this project would cost between \$500 million and \$600 million and would be 800,000 to 1 million square feet. This 60-acre site has the necessary infrastructure in place or close at hand, including electricity, water, sewer, natural gas, drainage, and transportation. It is large enough to accommodate associated ancillary services and partner facilities. It has good access and visibility from Interstate 25 and represents the most cost-effective way to replace the outdated hospital.

Requests for Additional Financial Information

This financial report is designed to provide the executive and legislative branches of the State of New Mexico, the public, the University's retailers and vendors, and other interested parties with a general overview of the financial position as of June 30, 2015 and 2014, and the results of its operations, cash flows, and variances from the budgets for the years then ended for the University of New Mexico.

If you have any questions about this report or need additional financial information, contact The University of New Mexico, Financial Services, 1700 Lomas NE, Suite 3100, MSC01 1300, Albuquerque, New Mexico 87131.

To download additional copies of this report, or to obtain prior year copies of this report, go to <http://fsd.unm.edu/annual-reports.html> and select the Annual Audit Report link.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Net Position as of June 30, 2015 and 2014

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2015	2014	2015	2014
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	\$ 251,191,958	\$ 186,128,041	\$ 48,761,357	\$ 34,832,097
Cash and cash equivalents – restricted (note 3)	-	-	46,230,827	34,025,846
Short-term investments (note 3)	328,420,401	303,756,778	10,830,746	10,423,562
Accounts receivable, net (note 4)	73,153,636	54,323,730	2,724,192	2,432,816
Patient receivables, net (note 4)	135,311,251	100,772,411	38,776,003	31,596,796
Notes receivable, net (note 5)	3,274,328	5,754,619	-	-
Due from component units	81,775,098	52,741,600	-	-
Estimated third-party payor settlements	37,253,510	35,457,838	-	-
Other receivables, net (note 4)	5,278,587	4,738,908	1,591,639	4,657,924
Inventories	20,558,560	17,056,911	2,134,711	1,758,042
Due from The University of New Mexico	-	-	7,915,550	6,399,404
Other current assets	6,081,568	6,845,852	1,294,543	2,995,156
Total current assets	\$ 942,298,897	\$ 767,576,688	\$ 160,259,568	\$ 129,121,643
Noncurrent assets				
Cash and cash equivalents (note 3)	\$ -	\$ -	\$ 1,350,028	\$ 1,957,580
Notes receivable, net – noncurrent (note 5)	9,665,543	10,211,214	-	-
Investments (note 3)	266,017,924	297,496,450	226,125,367	232,810,462
Land grant permanent fund (note 3)	209,543,087	207,068,445	-	-
Due from component units	29,986,430	30,905,349	-	-
Due from The University of New Mexico	-	-	350,000	-
Derivative instruments – interest rate swaps overlay (note 12)	2,115,637	1,905,994	-	-
Other noncurrent assets	8,285,884	8,213,945	6,456,207	6,938,964
Capital assets, net (note 6)	1,152,857,240	1,175,435,571	168,977,197	168,606,132
Total noncurrent assets	\$ 1,678,471,745	\$ 1,731,236,968	\$ 403,258,799	\$ 410,313,138
Total assets	\$ 2,620,770,642	\$ 2,498,813,656	\$ 563,518,367	\$ 539,434,781
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (note 16)	\$ 80,401,217	\$ -	\$ -	\$ -
Interest rate swaps (note 12)	11,151,419	10,581,948	-	-
Loss on bond refundings	2,103,329	2,521,473	-	-
Total deferred outflows of resources	\$ 93,655,965	\$ 13,103,421	\$ -	\$ -
LIABILITIES				
Current liabilities				
Accounts payable and accrued payroll (note 7)	\$ 149,356,455	\$ 131,850,619	\$ 16,816,017	\$ 14,717,351
Advance funding received	-	-	92,550	4,734,806
Due to The University of New Mexico (note 11)	-	-	81,775,098	52,741,600
Due to component units (note 11)	7,915,550	6,399,404	-	-
Due to fiduciary fund	-	4,282,586	-	-
Estimated third-party payor settlements	34,789,462	23,560,554	-	-
Accrued compensated absences (note 8)	51,499,913	48,493,643	-	-
Other accrued liabilities (note 9)	11,247,188	9,993,592	1,129,633	2,515,093
Unearned revenue (note 10)	44,567,972	41,499,126	1,341,598	802,562
Bonds payable – current portion (notes 11 and 12)	20,455,532	19,847,934	3,380,000	11,545,000
Long-term debt – current portion (note 11)	-	-	956,306	931,388
Annuities payable (note 11)	-	-	340,768	345,046
Deposits and funds held for others	6,740,847	6,352,349	-	-
Total current liabilities	\$ 326,572,919	\$ 292,279,807	\$ 105,831,970	\$ 88,332,846
Noncurrent liabilities (note 11)				
Bonds payable – noncurrent (notes 11 and 12)	\$ 486,880,750	\$ 545,269,380	\$ 128,500,000	\$ 131,880,000
Due to The University of New Mexico (note 11)	-	-	29,986,430	30,905,349
Due to component units (note 11)	350,000	-	-	-
Long-term debt (note 11)	-	-	6,394,439	7,350,745
Student loan program (note 11)	12,232,657	12,525,368	-	-
Net pension liability (notes 11 and 16)	937,754,765	-	-	-
Net OPEB obligation (notes 11 and 17)	28,664,283	32,955,183	-	-
Derivative instruments – interest rate swaps (notes 11 and 12)	11,151,419	10,581,948	-	-
Annuities payable (note 11)	-	-	2,308,853	2,503,129
Other noncurrent liabilities (note 11)	237,774	279,626	-	-
Total noncurrent liabilities	\$ 1,477,271,648	\$ 601,611,505	\$ 167,189,722	\$ 172,639,223
Total liabilities	\$ 1,803,844,567	\$ 893,891,312	\$ 273,021,692	\$ 260,972,069
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (note 16)	\$ 99,877,591	\$ -	\$ -	\$ -
Gain on bond refundings	946,251	-	-	-
Unearned revenue	-	-	898,205	772,093
Total deferred inflows of resources	\$ 100,823,842	\$ -	\$ 898,205	\$ 772,093

EXHIBIT A

Statements of Net Position as of June 30, 2015 and 2014

	<u>PRIMARY INSTITUTION</u>		<u>COMPONENT UNITS</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
NET POSITION				
Net investment in capital assets	\$ 652,756,234	\$ 635,881,369	\$ 3,226,354	\$ (10,222,154)
Restricted for:				
Nonexpendable:				
Land grant permanent fund	209,543,087	207,068,445	-	-
Scholarships	116,702,505	119,404,531	-	-
Grants, bequests, and contributions	6,008,368	6,008,807	174,596,320	175,043,273
Expendable:				
Scholarships	2,684,304	2,720,350	-	-
Grants, bequests, and contributions	17,588,467	18,321,223	-	-
Debt service	34,516,975	47,029,803	11,257,843	24,097,925
Capital projects	5,796,111	6,782,118	-	-
Other	-	-	21,725,800	21,265,567
Unrestricted (note 19)	(235,837,853)	574,809,119	78,792,153	67,506,008
Total net position	\$ 809,758,198	\$ 1,618,025,765	\$ 289,598,470	\$ 277,690,619

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2015 and 2014

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2015	2014	2015	2014
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$75,155,145 in 2015 and \$73,683,881 in 2014)	\$ 134,670,377	\$ 138,115,447	\$ -	\$ -
Net patient service (note 13)	-	-	246,692,538	202,787,626
Other patient-related services (note 13)	264,636,778	144,596,266	-	-
Federal grants and contracts	203,794,253	198,622,116	1,498,048	-
State and local grants and contracts	31,360,003	29,845,455	-	-
Nongovernmental grants, contracts, bequests, and contributions	36,018,130	33,590,685	29,653,920	29,122,964
Sales and services	192,434,632	165,762,889	26,794,182	23,377,288
Auxiliary enterprises (net of scholarship allowances of \$9,513,342 in 2015 and \$6,869,098 in 2014)	45,167,332	45,984,497	-	-
Other operating revenues	51,568,614	42,061,604	26,771,751	15,956,953
Clinical operations (note 13)				
University of New Mexico Hospital (net of provision for doubtful accounts of \$62,804,301 in 2015 and \$136,033,949 in 2014)	603,515,957	526,889,023	-	-
University of New Mexico Behavioral Health Operations (net of provision for doubtful accounts of \$4,084,866 in 2015 and \$1,010,777 in 2014)	33,287,707	28,737,088	-	-
Total operating revenues	\$ 1,596,453,783	\$ 1,354,205,070	\$ 331,410,439	\$ 271,244,831
OPERATING EXPENSES				
Educational and general				
Instruction	\$ 281,539,273	\$ 267,251,445	\$ -	\$ -
Research	172,109,446	170,779,418	-	-
Public service	346,203,712	315,148,991	-	-
Academic support	49,868,586	48,652,384	-	-
Student services	29,641,098	28,790,932	-	-
Institutional support	67,523,733	61,494,708	-	-
Operation and maintenance of plant	84,960,746	88,052,766	-	-
Depreciation expense	61,088,145	60,854,840	12,384,771	10,649,239
Student aid	38,891,018	48,925,437	-	-
Student activities	9,085,688	8,141,393	-	-
Intercollegiate athletics	31,825,352	30,809,738	-	-
Auxiliary enterprises	53,232,478	49,729,746	-	-
Other operating expenses	50,440,105	50,171,114	292,200,697	245,583,491
Distributions to The University of New Mexico	-	-	26,224,604	30,455,098
Clinical operations				
University of New Mexico Hospital	680,537,181	636,850,461	-	-
University of New Mexico Behavioral Health Operations	51,691,504	49,453,007	-	-
Total operating expenses	\$ 2,008,638,065	\$ 1,915,106,380	\$ 330,810,072	\$ 286,687,828
Operating income (loss)	\$ (412,184,282)	\$ (560,901,310)	\$ 600,367	\$ (15,442,997)

Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2015 and 2014

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2015	2014	2015	2014
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 308,196,174	\$ 292,498,633	\$ 813,100	\$ 815,300
Local appropriations	7,682,413	7,652,287	6,080,650	7,982,814
Federal pell grants	50,691,119	54,015,619	-	-
State lottery scholarships	34,973,379	37,990,538	-	-
Gifts	26,918,337	27,923,651	-	-
Federal bond subsidy	-	-	1,998,362	2,158,940
Investment income (loss) (note 3)	11,318,098	70,178,886	(1,164,851)	33,174,074
Other nonoperating revenues and expenses, net	(4,304,520)	(2,602,657)	(904,460)	(1,196,018)
Interest on capital asset-related debt	(20,006,539)	(18,047,515)	(7,068,906)	(7,558,553)
Loss on disposal of capital assets	(234,888)	(167,707)	-	-
Distributions to The University of New Mexico	-	-	(150,000)	(250,000)
Clinical operations (note 13)				
University of New Mexico Hospital	95,061,389	119,120,604	-	-
University of New Mexico Behavioral Health Operations	20,965,620	20,529,207	-	-
Net nonoperating revenues (expenses)	\$ 531,260,582	\$ 609,091,546	\$ (396,105)	\$ 35,126,557
Income before capital contributions	\$ 119,076,300	\$ 48,190,236	\$ 204,262	\$ 19,683,560
Capital appropriations	\$ 23,693,702	\$ 7,284,714	\$ -	\$ -
Capital grants and gifts	374,148	675	-	-
Federal stabilization grant	554,616	163,222	-	-
Contributions to permanent endowments	-	-	11,703,589	7,731,271
Clinical operations				
University of New Mexico Hospital	-	30,000	-	-
Total capital contributions	\$ 24,622,466	\$ 7,478,611	\$ 11,703,589	\$ 7,731,271
Change in net position	\$ 143,698,766	\$ 55,668,847	\$ 11,907,851	\$ 27,414,831
NET POSITION				
Net position at beginning of year	1,618,025,765	1,562,356,918	277,690,619	250,275,788
Impact of change in accounting pronouncement (note 2(D))	(951,966,333)	-	-	-
Net position at end of year	\$ 809,758,198	\$ 1,618,025,765	\$ 289,598,470	\$ 277,690,619

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Cash Flows for the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 132,059,627	\$ 138,236,988
Grants and contracts	270,559,652	266,369,415
Insurance and patients	921,369,850	686,538,766
Sales and services	185,103,835	170,122,620
Auxiliary enterprise charges	46,874,472	45,230,056
Payments to suppliers	(511,045,234)	(450,319,594)
Payments to employees	(1,045,719,485)	(1,006,249,050)
Payments for benefits	(212,234,630)	(193,675,018)
Payments for utilities	(41,084,982)	(42,091,882)
Payments for scholarships and fellowships	(45,174,060)	(55,334,474)
Loans issued to students	(1,580,951)	(3,390,778)
Collection of loans to students	2,229,202	1,850,463
Payments to State of New Mexico for intergovernmental transfer	(15,353,372)	(9,018,014)
Other payments	(9,309,332)	(22,824,534)
Net cash used in operating activities	<u>\$ (323,305,408)</u>	<u>\$ (474,555,036)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	\$ 321,313,054	\$ 304,924,618
Local appropriations	7,682,413	7,652,287
Federal pell grant	50,656,889	53,982,575
State lottery scholarships	31,572,357	56,249,094
Drawdowns of federal direct loan proceeds	123,754,055	133,905,125
Disbursements of federal direct loans to students	(121,648,445)	(135,733,724)
Bernalillo County mill levy	93,128,895	91,939,840
Land and permanent fund	918,901	773,393
Gifts	2,712,961	10,873,053
Federal stabilization grants	545,082	163,727
Other nonoperating receipts (payments)	(1,751,378)	592,669
Net cash provided by noncapital financing activities	<u>\$ 508,884,784</u>	<u>\$ 525,322,657</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest payments on bonds	\$ (30,009,524)	\$ (25,786,723)
Capital appropriations	15,551,487	5,342,522
Capital gifts and grants	374,587	73,764
Proceeds from bond issuance	248,708,271	-
Principal payments of bonds	(303,817,934)	(19,043,652)
Collection of loan to Lobo Development Corporation	601,056	583,314
Cash received from disposal of capital assets	306,112	145,293
Purchase of capital assets	(74,343,695)	(53,084,816)
Other payments	(3,506,608)	(1,706,122)
Net cash used in capital and related financing activities	<u>\$ (146,136,248)</u>	<u>\$ (93,476,420)</u>

EXHIBIT C

Statements of Cash Flows for the years ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Bond trustee funds released by refinancing	\$ 42,591,086	\$ -
Establish 2015 bond reserve fund	(15,071,979)	-
Proceeds from sale and maturities of investments	305,254,427	461,865,613
Purchase of investments	(342,881,310)	(470,008,669)
Distributions from land grant permanent fund	9,518,002	8,749,529
Investment income	26,265,331	42,062,065
	\$ 25,675,557	\$ 42,668,538
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – beginning of year	186,128,041	186,168,302
	\$ 251,246,726	\$ 186,128,041
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (412,184,282)	\$ (560,901,310)
Adjustments to reconcile net operating loss to net cash used in operating activities		
Depreciation expense	94,794,223	92,686,085
Bad debt expense	68,667,409	139,465,622
Changes in assets and liabilities		
Accounts receivable	(6,591,938)	(3,573,826)
Patient receivables	(101,428,007)	(165,753,155)
Estimated third-party payor settlements	(1,795,672)	(5,309,287)
Notes receivable	920,351	(1,223,407)
Inventories	(3,501,649)	235,848
Other assets	240,465	(767,550)
Due from component units	(5,286,076)	347,109
Due to component units	(4,782,655)	3,511,831
Accounts payable	31,935,961	22,462,016
Accrued expenses and compensated absences	3,317,296	232,243
Other current liabilities	(364,733)	(295,911)
Estimated third-party payor liability	11,228,908	570,320
Unearned revenue	1,687,963	3,758,336
Deferred outflow of resources related to pensions	(162,972)	-
	\$ (323,305,408)	\$ (474,555,036)

See accompanying notes to the basic financial statements.

University of New Mexico Retiree Welfare Benefit Trust
 Statements of Fiduciary Net Position as of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 54,768	\$ -
Investments	10,425,306	-
Interest receivable	10,641	-
Due from The University of New Mexico	-	4,282,586
Total assets	<u>\$ 10,490,715</u>	<u>\$ 4,282,586</u>
NET POSITION		
Net position held in trust for pension benefits and other purposes	\$ 10,490,715	\$ 4,282,586
Total net position	<u>\$ 10,490,715</u>	<u>\$ 4,282,586</u>

See accompanying notes to the basic financial statements.

University of New Mexico Retiree Welfare Benefit Trust
 Statements of Changes in Fiduciary Net Position for the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ADDITIONS		
University of New Mexico contributions	\$ 3,080,800	\$ 2,137,997
Employee contributions	3,080,800	2,137,997
Investment income	51,529	6,592
Total revenues	<u>\$ 6,213,129</u>	<u>\$ 4,282,586</u>
DEDUCTIONS		
Administrative expenses	\$ 5,000	\$ -
Total expenses	<u>\$ 5,000</u>	<u>\$ -</u>
Increase in fund net position	\$ 6,208,129	\$ 4,282,586
Net position at beginning of year	4,282,586	-
Net position at end of year	<u>\$ 10,490,715</u>	<u>\$ 4,282,586</u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

(1) Creation and Purpose of Entity

The University of New Mexico (the University or UNM) was created by the Constitution of New Mexico, Sections 21-7-4 through 21-7-25, New Mexico Statutes Annotated, 1978 Compilation, under which it is responsible for providing the inhabitants of the State of New Mexico and such others as the Board of Regents may determine with the means of acquiring a thorough knowledge of the various branches of literature, science, and the arts.

The University is part of the primary government of the State of New Mexico, and its financial data is included with the financial data in the State of New Mexico's Comprehensive Annual Financial Report. These financial statements present financial information that is attributable to the University and does not purport to present the financial position of the State of New Mexico.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(A) Basis of Presentation

The University and its component units present their financial statements in accordance with U.S. generally accepted accounting principles as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB). The statement presentation required by GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34*, provides a comprehensive entity-wide perspective of the University's assets, liabilities, and net position, revenues, expenses and changes in net position, and cash flows.

The University has adopted GASB Statement 39, *Determining Whether Certain Organizations Are Component Units — an amendment of GASB Statement 14*, and GASB Statement 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. GASB Statement 39 provides additional guidance to determine whether certain organizations for which the University is not financially accountable should be reported as discretely presented component units based on the nature and significance of their relationship with the University. GASB Statement 61 modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for blending component units within the primary government in certain circumstances. As required by GASB Statements 14, 39, and 61, these basic financial statements present the University and its component units.

The following entities are presented in the financial statements as component units based on criteria as set forth in GASB Statements 14, 39, and 61:

Discretely Presented Component Units

- **The University of New Mexico Foundation, Inc.**

The University of New Mexico Foundation, Inc. (Foundation) is a nonprofit corporation, organized to solicit, receive, hold, invest, and transfer funds for the benefit of the University of New Mexico. The majority of the University's investments are managed by the Foundation. The University of New Mexico Foundation, Inc., Two Woodward Center, 700 Lomas Blvd. NE, Suite 203, Albuquerque, NM 87131.

- **The Robert O. Anderson Schools of Management Foundation**

The Robert O. Anderson Schools of Management Foundation (ASMF) is a nonprofit corporation organized in 1971 to promote continued education to the business community. ASMF provides professional workshops, seminars, guest symposiums, a master's degree program and funding for various faculty fellowships, research grants, and student scholarships. The University of New Mexico, The Robert O. Anderson Schools of Management Foundation, MSC05 3090, 1924 Las Lomas NE, Albuquerque, NM 87131.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

- **STC.UNM**

STC.UNM (formerly known as Science & Technology Corporation @ UNM) is a nonprofit corporation formed under the auspices of the 1989 New Mexico University Research Park Act and the New Mexico Nonprofit Corporation Act. The business of the corporation is to manage the commercialization of technologies developed by the University's faculty and manage the real estate development of the Science & Technology Park at The University of New Mexico on the South Campus. STC.UNM, 801 University Blvd. SE, Suite 101, Albuquerque, NM 87106.

- **University of New Mexico Lobo Club**

The University of New Mexico Lobo Club (Club) is a nonprofit corporation established to operate as a fund-raising entity in support of the athletic programs at the University. The University of New Mexico Lobo Club, Department of Athletics, MSC04 2680, 1 University of New Mexico, Albuquerque, NM 87131.

- **Lobo Development Corporation**

Lobo Development Corporation was established in October 2007, under the State of New Mexico's University Research Park and Economic Development Act. Lobo Development Corporation was established to benefit UNM's Regents in the management and development of University-owned real estate. The activities of Lobo Development Corporation include the acquisition, development, disposition, and rental of University real estate. Lobo Development Corporation, 801 University Blvd. SE, Suite 207, Albuquerque, NM 87106.

- **Lobo Energy, Inc.**

Lobo Energy, Inc. (LEI) was formed by the UNM Regents in June 1998, under the University Research Park Act to be a separate 501(c)(3) corporation wholly owned by UNM. Its responsibilities include the procurement of natural gas and electricity, operations, and maintenance of all production facilities, and energy measurement and management systems. Lobo Energy, Inc., 800 Bradbury Dr. SE, Suite 216, Albuquerque, NM 87106.

- **The University of New Mexico Alumni Association**

The University of New Mexico Alumni Association (the Association) is a not-for-profit organization that was incorporated August 29, 1962 to provide and coordinate events and activities for the purpose of maintaining a positive relationship between the University and its alumni. The University of New Mexico Alumni Association at Hodgin Hall, Albuquerque, NM 87131.

- **University of New Mexico Medical Group**

University of New Mexico Medical Group (UNMMG) is a nonprofit corporation that was organized to promote, advance, and support the clinical, scientific, educational, research, and charitable purposes of the School of Medicine (SOM) and the University of New Mexico Health Sciences Center (HSC). University of New Mexico Medical Group, 933 Bradbury Street SE, Suite 2222, Albuquerque, NM 87106.

- **Sandoval Regional Medical Center**

Sandoval Regional Medical Center (SRMC) is a teaching hospital located in Sandoval County that was formed by the UNM Regents in August 2009 and is a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park and Economic Development Act. The creation of SRMC is largely a result of collaborative efforts between the UNM Medical Group (UNMMG) and UNM Hospital (UNMH), and accordingly, UNMMG and UNMH have representation on its board. Sandoval Regional Medical Center, 3001 Broadmoor Blvd. NE, Rio Rancho, NM 87144.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

Blended Component Unit

- **University of New Mexico Retiree Welfare Benefit Trust**

The University of New Mexico Retiree Welfare Benefit Trust is a voluntary employees' beneficiary association (VEBA) trust that is tax exempt under section 501(c)(9) of the Internal Revenue Code and is presented as a fiduciary fund in the financial statements. The trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of other postemployment benefits for eligible retirees of the University.

The University's basic financial statements also include "clinical operations." Clinical operations include the two healthcare providers, the University of New Mexico Hospital (Hospital) and the University of New Mexico Behavioral Health Operations whose operations are summarized to be compatible with University reporting; these operations are not legally separate entities and, therefore, are operating as divisions of the University. The clinical operations, when combined with the University's School of Medicine, College of Nursing, and College of Pharmacy, are referred to as the University of New Mexico Health Sciences Center (HSC) and are included in the Primary Institution financial statement information.

The discretely presented component units, the Hospital, and the University of New Mexico Behavioral Health Operations, have separately audited financial statements, which can be obtained at their separate administrative offices.

(B) *Basis of Accounting*

For financial reporting purposes, the University is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

(C) *Significant Accounting Policies*

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets, liabilities, and deferred outflows and inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ significantly from those estimates.

Cash and cash equivalents: Cash and cash equivalents consist of all highly liquid investments with original maturities of three months or less.

Accounts receivable: The University records student accounts receivable at the time a student registers for classes. Provisions for uncollectible student accounts are recorded to maintain an adequate allowance for probable losses.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Patient receivables: Clinical Operations receive payment for services rendered to patients under payment arrangements with payors, which include (i) Medicare and Medicaid, (ii) other third-party payors including commercial carriers and health maintenance organizations, and (iii) others. Clinical Operations reserve progressive percentages beginning at 90 days for all payors, ramping up to 100% fully reserved at 210 days. Self-pay receivables are fully reserved after 30 days when they are referred to internal collections, and they are charged off when they are deemed uncollectible and are turned over to a collection agency. The following summarizes the percentage of gross patient receivables from all payors as of June 30:

	<u>2015</u>	<u>2014</u>
Medicare and Medicaid	65%	59%
Other third-party payors	27%	27%
Others	8%	14%
	<u>100%</u>	<u>100%</u>

Investments: Stocks, bonds, real estate, and similar investments are generally reported at fair value. The basis of determining the fair value of investments is the readily determinable sales price or current exchange rate of the investments based on prices or quotations from over-the-counter markets. In the case of pooled funds or mutual funds, the fair value is determined as the number of units held in the fund multiplied by the price per unit share as publicly quoted. Within the Consolidated Investment Fund (CIF), the alternative investments are valued as reported by the general partners and fund managers. Management reviews and evaluates the valuation received from third parties and believes the carrying amount to be a reasonable estimate of fair value. As limited partnerships 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. The income from the University's interest in the Land Grant Permanent Fund, which interests are managed by the New Mexico State Investment Council, is distributed monthly to the University.

The endowment spending policy provides that the total annual distribution of spendable income to each unit of the CIF, a unitized investment pool, shall not exceed 6% nor be less than 4% of the average market value of a unit of the CIF. The average market value of a unit will be based on the average unit values of the CIF for the preceding 20 quarters. The target annual distribution rate shall be 5% of the average unit market value. If, in any given 20-quarter rolling period, total return is less than target annual distribution, actual distribution shall not be less than 4% of the average unit market value for such 20-quarter rolling period. If in any 20-quarter rolling period the distribution exceeds 5% of the current market value, the CIF Investment Committee will determine the actual distribution.

Assets held by others, which are neither in the possession of nor under the control of the University, are not reflected in the accompanying basic financial statements. The most significant example is assets held by the Sandia Foundation from which UNM is entitled to 45% of the income but has no title to the assets themselves. However, income earned on such assets upon which the University has claim is recorded in the accompanying basic financial statements.

Inventories: Inventories, consisting mainly of items held for resale, are principally stated at cost using the retail method, or market value if lower.

Capital assets: Capital assets are recorded at original cost, or fair value if donated. Per Section 12-6-10 NMSA 1978, the University's capitalization policy for movable equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The University includes software purchased with a piece of equipment in the cost of capitalization. This total cost is depreciated over the useful life of the equipment. In compliance with New Mexico Administrative Code, Title 2 Public Finance, Chapter 20 Accounting by Governmental Entities, Part 1 Accounting and Control of Fixed Assets of State Government, Section 9, software purchased for internal use is capitalized and depreciated. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements and infrastructure, 5 years for library books, and a range of 3 to 15 years for equipment. Loaned equipment from private and federal sources is not owned by the University, and is

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not an asset. This equipment is monitored by the University and totals \$3,513,355 and \$3,863,541 at June 30, 2015 and 2014, respectively.

As an institute of higher education in existence for over 100 years, the 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 deaccessioning. However, because of their invaluable and irreplaceable nature, these collections have not been capitalized and are reported as other noncurrent assets in the statements of net position.

Bonds Payable: Bonds payable are special obligations of the Regents of the University and do not constitute a debt or liability of the State of New Mexico or any political subdivision thereof. Each bond is secured, as described in the applicable trust indentures, by certain pledged revenues, representing certain revenues of the Regents after the payment of certain operating and maintenance expenses and pre-existing debt service obligations. The issuance of the bonds does not directly, indirectly, or contingently obligate the state or any political subdivision to levy any form of taxation or to make any appropriation for their payment. The Regents do not have taxing power.

The University issues fixed and variable rate bonds. The rate on the fixed rate bonds is set at bond closing. The variable rate bonds bear interest at a weekly rate until maturity or earlier redemption. For bonds that pay weekly rates, the remarketing agent for each bond issue establishes the weekly rate according to each indenture's remarketing agreement. The weekly rates are communicated to the various bond trustees for preparation of debt service payments. The weekly rate, as set by the remarketing agent, allows the bonds to trade in the secondary market at a price equal to 100% of the principal amount outstanding, with each rate not exceeding maximum rates permitted by law.

Variable rate bonds have an assumed Standby Purchase Agreement (SBPA), which states that the issuer of the SBPA will purchase the bonds in the event the remarketing agent is unsuccessful in marketing the bonds. In this event, the interest rate paid by the University will be calculated using a defined rate from the SBPA. If the bonds remain unsold for a period of time, designated in the SBPA, they are deemed to be "bank bonds" and the University will be required to repurchase the bonds from the SBPA issuer.

Derivatives: The University follows GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*. Derivatives are financial arrangements used to manage or hedge specific risks or to make investments. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB Statement 53 are reported as deferred inflows and outflows of resources. Changes in fair value of investment derivative instruments, which are ineffective hedging instruments, are reported as a component of investment income.

The University has entered into interest rate swap agreements with rated swap counter parties in order to utilize synthetic fixed rate structures in order to generate cash flow savings and to hedge against interest rate risk. By entering into a swap agreement, the University hedges its interest rate exposure on the associated variable rate bonds. With the exception of two swaps that are considered investments, the swaps are considered hedging derivatives. Additional information about the swap agreements is provided in note 12.

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 Plan (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 payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value by ERB.

Annual leave plan: Employees are allowed to accumulate 252 hours of leave. Upon separation from employment for reasons other than retirement, death, or involuntary separation, employees are paid for unused accrued annual leave, not to exceed 168 hours. Upon separation of employment for reasons of retirement, death, or involuntary separation, employees (or their estates in case of death) are paid for unused accrued annual leave, not to exceed 252 hours.

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Sick leave plan: Prior to 1984, the University's sick leave plan placed no limitation on the number of hours an employee could accumulate. When the plan was revised, the existing accumulation of hours was placed into separate pools and employees may be paid 28.5% of the value of those hours on retirement from the University. Also under the revised plan, employees are entitled to receive cash payments, at a rate equal to 50% of the employee's hourly wage, for accumulated unused sick leave exceeding 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75, up to 120 hours per fiscal year. Upon retirement or death, employees are paid, at a rate equal to 50% of the employee's hourly wage, for accumulated unused sick leave exceeding 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75, not to exceed 440 hours.

Net position:

Net investment in capital assets represents the University's total investment in capital assets, net of outstanding debt related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. Unspent bond proceeds for the University were \$0 and \$641,678 at June 30, 2015 and 2014, respectively. The Hospital had no unspent bond proceeds at June 30, 2015 and \$13,500,000 in unspent bond proceeds at June 30, 2014 reserved for debt service as required by the trustee.

Restricted net position represents those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. Restricted *expendable* net position is resources that the University is legally or contractually obligated to spend in accordance with imposed restrictions by third parties. Restricted *nonexpendable* net position consists of endowment and similar funds in which third parties 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. The income generated from the principal may be expended or added to principal.

Unrestricted net position, which may contain multiple year contractual commitments, consists of those operating funds over which the governing board retains full control to use in achieving any of its authorized purposes.

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 toward restricted resources, and then toward unrestricted resources.

Revenues: Are classified as operating or nonoperating according to the following criteria:

Operating revenues include activities that have the characteristics of an exchange transaction, such as a) student tuition and fees, net of scholarship discounts and allowances, b) patient services, c) sales and services, and d) contracts and grants.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as a) appropriations, b) gifts, c) investment income, and d) mill levy. These revenue streams are recognized under GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Appropriations are recognized in the year they are appropriated, regardless of when actually received. Gifts are recognized when all applicable eligibility requirements have been met. Investment income is recognized in the period when it is earned. The mill levy is recognized in the period it is levied by Bernalillo County.

Student tuition and fee revenues and auxiliary enterprises revenues from students are reported net of scholarship allowances in the statements of revenues, expenses, and changes in net position. Scholarship 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 students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees, other student charges, and auxiliary enterprises charges, the University has recorded a scholarship allowance.

Net patient service revenues are recorded at the estimated net realizable amount due from patients, third-party payors, and others for services rendered, and a provision for doubtful accounts. Retroactive adjustments under

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reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contractual adjustments resulting from agreements with various organizations to provide services for amounts that differ from billed charges, including services under Medicare, Medicaid, and certain managed care programs, are recorded as deductions from patient revenues. Accounts, when determined to be uncollectible, are charged against the allowance for doubtful accounts.

The clinical operations provide care to patients who meet certain criteria under its charity care policy without expectation of payment or at amounts less than established rates. The clinical operations do not pursue collection of amounts determined to qualify as charity care with the exception of copayments. Charity care is treated as a deduction from gross revenue.

Contract and grant revenues are recognized when all of the eligibility requirements have been met.

Unexpended state appropriations do not revert to the State of New Mexico at the end of the fiscal year and are available to the University in subsequent years according to House Bill 2, Appropriations Act, Section J, found on Page 186.

Unearned revenue consists primarily of advances from contracts and grants, prepayments of tuition and fees for the summer semester, and prepayments of tickets to public and athletic events.

Expenses: Are classified as operating or nonoperating according to the following criteria:

Operating expenses include activities that have the characteristics of an exchange transaction, such as a) employee salaries, benefits, and related expense, b) scholarships and fellowships, net of scholarship discounts and allowances, c) utilities, supplies, and other services, d) professional fees, and e) depreciation expenses related to university property, plant, and equipment.

Nonoperating expenses include interest on capital asset-related debt and bond expenses that are defined as nonoperating expenses by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

(D) *Changes in Accounting Policies and Statements*

Effective July 1, 2014, the University adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pensions. As a result of the implementation of GASB Statement 68, the University restated net position as of July 1, 2014. This restatement was a decrease of \$951,966,333 to unrestricted net position as of July 1, 2014. The implementation of GASB Statement 68 also resulted in the recognition in fiscal year 2015 of \$937,754,765 in net pension liability, \$80,401,217 in deferred outflows of resources, and \$99,877,591 in deferred inflows of resources, all of which had not been recognized prior to fiscal year 2015. The net pension liability represents the University's proportionate share of the total net pension liability of the ERB defined benefit plan based on an annual actuarial valuation performed on that plan.

(E) *Income Taxes*

As an instrumentality of the State of New Mexico, the income generated by the University in the exercise of its essential governmental functions is excluded from federal income tax under Internal Revenue Code (IRC) Section 115. However, income generated from activities unrelated to the exempt purpose of the University would be subject to tax under IRC Section 511(a)(2)(B).

As part of a state institution of higher education, the income of the University of New Mexico Hospital and the University of New Mexico Behavioral Health Operations is generally excluded from federal and state income taxes

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under Section 115(1) of the Internal Revenue Code. However, income generated from activities unrelated to these entities' exempt purpose is subject to income taxes under Internal Revenue Code Section 511(a)(2)(B).

(F) *Joint Powers Agreements*

- (1) The Regents of The University of New Mexico and the Board of County Commissioners of the County of Bernalillo entered into a lease agreement for operation and lease of county healthcare facilities, effective July 1, 1999, amended June 2004 and terminating June 20, 2040. The purpose of the agreement is to operate and maintain UNM Hospital and UNM Behavioral Health Operations in accordance with the provisions of the Hospital Funding Act for the term of the agreement. The agreement continues in force until rescinded or terminated by either party. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (2) The University has entered into Joint Powers Agreements with fifty-two (52) Municipal School Districts (the Districts) throughout the State of New Mexico. The University and the Districts have formed an organization for promoting their mutual educational purposes known as the New Mexico Research and Study Council (Council). The purpose of this agreement is to create a mechanism by which the Districts can jointly and cooperatively undertake any activities in their function of providing public educational services. The University has entered into this agreement in order to facilitate such joint activities. This agreement remains in force until terminated. The Council may be terminated by a two-thirds vote of all current parties. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (3) The Regents of the University of New Mexico, the Regents of New Mexico State University, and the Regents of the New Mexico Institute of Mining and Technology entered into an agreement to form the New Mexico University Research Consortium (NMURC) effective May 4, 2006. The purpose of the Research Consortium is to promote statewide cooperation in attracting research resources to New Mexico, managing them for the state's higher education research facilities, other New Mexico research facilities and for the benefit of New Mexico economic development. The agreement continues in force indefinitely. Any party may choose to withdraw with 60 days' written notice. At such time, the remaining parties have 45 days to agree to maintain the NMURC or the JPA will terminate on the date of withdrawal.
- (4) The University of New Mexico Natural Heritage Program (NHP) and the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) entered into a Joint Powers Agreement effective August 8, 2005, amended on April 28, 2008 and December 20, 2010. EMNRD's Rare and Endangered Plant Program often receives federal grants to develop projects that require botanical field research, greenhouse studies, and data management. NHP, as a branch of the UNM-Southwest Museum of Biology, maintains the only comprehensive database for New Mexico rare and endangered plant species and is capable of providing professional field and research assistance, greenhouse access, and data management. The purpose of the agreement is for administrative efficiency so that the projects can be carried out through a single program. The agreement continues indefinitely unless earlier terminated by one or both parties.
- (5) The Regents of the University of New Mexico and the Board of Education of Albuquerque Public Schools, District No. 12 entered into a Joint Powers Agreement concerning the ownership and operation of an educational television facility known as KNME-TV with an effective date of September 16, 1968, amended April 1978. The purpose of the agreement is to make a useful and beneficial educational facility available to both parties over an extended period of time. The agreement continues for an indefinite term and may be terminated upon a) mutual agreement of the parties, b) continued inability of one party to perform its obligations, or c) inadequacy of the facility to fulfill the educational television needs of both parties accompanied by the expressed desire of either party to terminate.

(G) *Reclassifications*

Certain 2014 amounts have been reclassified in order to be consistent with the 2015 presentation.

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(H) *Impact of Recently Issued Accounting Standards*

- (1) GASB Statement 72 – *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is 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. It provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. GASB Statement 72 is effective for periods beginning after June 15, 2015, and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 72 will have on its financial statements.
- (2) GASB Statement 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. 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. The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. This Statement also clarifies the application of certain provisions of Statements 67 and 68. GASB Statement 73 is effective for periods beginning after June 15, 2015, except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The University is currently evaluating the impact GASB Statement 73 will have on its financial statements.
- (3) GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. GASB Statement 75 is effective for periods beginning after June 15, 2017, and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 75 will have on its financial statements.

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(3) Cash, Cash Equivalents, and Investments

(A) Cash and Cash Equivalents

The Primary Institution's cash accounts are held in demand and time deposits at various financial institutions and had carrying amounts totaling \$251,246,726 and \$186,128,041 at June 30, 2015 and 2014, respectively. New Mexico statutes require financial institutions to pledge qualifying collateral to the Primary Institution to cover at least 50% of uninsured deposits. All collateral is held by third parties in safekeeping. The Primary Institution is at risk to the extent that its funds are uninsured or uncollateralized. These amounts are invested in overnight sweep accounts and are collateralized at 102% of the invested balance. At June 30, 2015 and 2014, these funds were collateralized by government agency securities held in the Primary Institution's name. At June 30, 2015 the total Primary Institution's deposits were fully collateralized, and, at June 30, 2014, the total Primary Institution's deposits that were not insured or collateralized were \$1,454,320.

The Component Units' cash accounts held in demand and time deposits at various institutions had carrying amounts totaling \$96,342,212 and \$70,815,523 at June 30, 2015 and 2014, respectively. Certain amounts are invested in overnight sweep accounts and are collateralized at various levels of the invested balance. At June 30, 2015 and 2014, these funds were collateralized by government backed securities held in the Component Unit's name. At June 30, 2015, the total Component Units' public deposits were fully collateralized, and at June 30, 2014, the total Component Units' public deposits that were not insured or collateralized were \$33,430,921.

(B) Investments

University investments are grouped into three major categories for financial reporting purposes: Temporary investments, the CIF, and other long-term investments. Temporary investments are primarily funds available for current operations. Under the University's investment policies, temporary investment funds may be invested in the following instruments:

- Money market funds
- Certificates of deposit (fully insured by the Federal Deposit Insurance Corporation [FDIC])
- Commercial paper
- Bankers' acceptances
- U.S. government agencies
- Corporate bonds (minimum BBB/Baa2 rating or better) per issue
- Industrial floaters
- U.S. Treasuries
- Municipal bonds — both taxable and tax-exempt (minimum A/A2 rating or better) per issue
- Global fixed-income securities: nondollar denominated securities

Temporary investments also include unspent bond proceeds that are dedicated to various facilities construction projects on campus. Bond proceeds may be invested in all of the securities allowed for temporary funds, as well as Repurchase Agreements and Guaranteed Investment Contracts (GICs). Such construction projects are reported as capital assets in the accompanying statements of net position (note 6). The bond obligations are reported as bonds payable in the accompanying statements of net position (notes 11 and 12).

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The CIF is a unitized internal investment pool consisting of gifted endowment funds of the University and gifted endowment funds of the UNM Foundation. The CIF operates with a long-term investment goal of preserving and maintaining the real purchasing power of the principal while allowing for an annual distribution. The investment of the CIF endowment funds is in accordance with the laws of 1991, chapter 69 of the State of New Mexico. In accordance with UNM and the Foundation's Memorandum, the endowment assets of UNM and the UNM Foundation are commingled for investment purposes, whenever possible, in the CIF. The investment of UNM and the UNM Foundation endowment funds is in accordance with Sections 6-8-10 and 46-9-12, NMSA 1978. At June 30, 2015 and 2014, UNM's portion of the CIF was \$216,840,567 and \$226,163,175, respectively.

Consolidated Investment Fund

	<u>2015</u>	<u>2014</u>
Units:		
UNM Foundation	570,951	568,158
University of New Mexico	655,318	679,611
	<u>1,226,269</u>	<u>1,247,769</u>
Fair Value (in millions):		
UNM Foundation	\$ 189.0	\$ 189.1
University of New Mexico	216.8	226.1
	<u>\$ 405.8</u>	<u>\$ 415.2</u>

Other long-term investments primarily consist of debt service, debt service reserve, and plant renewal and replacement funds. Also reported in the other long-term investments category is UNM's ownership share of the New Mexico State Land Grant Permanent Fund; the assets of which are managed by the State Investment Council (SIC).

The state constitution provides for 21 beneficiaries of the Land Grant Permanent Fund, of which UNM is one. The valuation of each beneficiary's share is calculated by the New Mexico State Investment Council and investment income, gains, and losses are distributed accordingly. As of June 30, 2015 and 2014, the value of UNM's share of the Land Grant Permanent Fund was \$209,543,087 and \$207,068,445, respectively.

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Total Primary Institution investments by type at June 30, 2015 and 2014 are as follows:

	Temporary Investments	Consolidated Investment Fund	Other Long-Term Investments	UNM Retiree Welfare Benefit Trust	Fair Value
Primary Institution 2015					
Cash	\$ 536,393	\$ -	\$ -	\$ 1,503,597	\$ 2,039,990
Money Market	16,227,494	7,356,619	16,668,122	259,310	40,511,545
Certificate of Deposit	-	-	1,600,507	8,662,399	10,262,906
U.S. Treasury Securities	113,177,516	-	-	-	113,177,516
U.S. Government Agencies	61,434,677	-	9,408,643	-	70,843,320
Corporate Bonds/Notes	120,122,237	-	-	-	120,122,237
Municipal Bonds	16,922,084	-	-	-	16,922,084
Mutual Funds — Fixed	-	70,090,153	-	-	70,090,153
Mutual Funds — Equity	-	173,414,982	-	-	173,414,982
Equity	-	-	21,453,460	-	21,453,460
Exchange Traded Funds	-	12,525,380	-	-	12,525,380
Illiquid Real Assets	-	19,113,638	-	-	19,113,638
Private Equity	-	42,210,748	-	-	42,210,748
Marketable Alternatives	-	81,134,345	-	-	81,134,345
Land Grant Permanent Fund	-	-	209,543,087	-	209,543,087
CIF due to/from UNM University of New Mexico Foundation, Inc	-	(46,625)	46,625	-	-
<i>Investments held in Consolidated Investment Fund</i>	-	(188,958,673)	-	-	(188,958,673)
Total Investments	\$ 328,420,401	\$ 216,840,567	\$ 258,720,444	\$ 10,425,306	\$ 814,406,718

	Temporary Investments	Consolidated Investment Fund	Other Long-Term Investments	Assets Held for the Benefit of the UNM Retiree Welfare Benefit Trust	Fair Value
Primary Institution 2014					
Cash	\$ 117,044	\$ -	\$ -	\$ -	\$ 117,044
Money Market	10,898,720	1,705,249	26,027,416	358,276	38,989,661
Certificate of Deposit	-	-	1,746,544	3,541,966	5,288,510
Repurchase Agreements	-	-	13,417,413	-	13,417,413
U.S. Treasury Securities	85,722,986	-	-	-	85,722,986
U.S. Government Agencies	79,507,347	-	9,098,737	-	88,606,084
Corporate Bonds/Notes	107,264,165	-	-	-	107,264,165
Municipal Bonds	16,346,274	-	-	-	16,346,274
Mutual Funds — Fixed	-	60,142,009	-	-	60,142,009
Mutual Funds — Equity	-	183,153,447	-	-	183,153,447
Equity	-	-	21,113,513	-	21,113,513
Exchange Traded Funds	-	17,244,838	-	-	17,244,838
Illiquid Real Assets	-	25,645,542	-	-	25,645,542
Private Equity	-	49,713,322	-	-	49,713,322
Marketable Alternatives	-	77,561,935	-	-	77,561,935
Land Grant Permanent Fund	-	-	207,068,445	-	207,068,445
CIF due to/from UNM University of New Mexico Foundation, Inc	-	70,348	(70,348)	-	-
<i>Investments held in Consolidated Investment Fund</i>	-	(189,073,515)	-	-	(189,073,515)
Total Investments	\$ 299,856,536	\$ 226,163,175	\$ 278,401,720	\$ 3,900,242	\$ 808,321,673

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Total Component Unit investments by type at June 30, 2015 and 2014 are as follows:

	Temporary Investments	Consolidated Investment Fund	Other Long-Term Investments	Fair Value
Component Units 2015				
Money Market Account	\$ -	\$ 3,403,867	\$ 5,404,485	\$ 8,808,352
Certificate of Deposit	1,112,399	-	1,007,725	2,120,124
U.S. Government Agencies	-	-	11,055,533	11,055,533
Corporate Bonds/Notes	-	-	5,786,942	5,786,942
Municipal Bonds	-	-	3,964,827	3,964,827
Mutual Funds	9,174,655	-	9,231,430	18,406,085
Mutual Funds — Fixed	-	32,637,179	-	32,637,179
Mutual Funds — Equity	-	80,749,943	-	80,749,943
Equity	-	-	11,054	11,054
Exchange Traded Funds	-	5,832,389	-	5,832,389
Illiquid Real Assets	-	8,900,183	-	8,900,183
Private Equity	-	19,655,253	-	19,655,253
Marketable Alternative	251,416	37,779,859	-	38,031,275
Real Estate	292,276	-	319,330	611,606
Other	-	-	385,368	385,368
Total Investments	\$ 10,830,746	\$ 188,958,673	\$ 37,166,694	\$ 236,956,113

	Temporary Investments	Consolidated Investment Fund	Other Long-Term Investments	Fair Value
Component Units 2014				
Money Market Account	\$ -	\$ 808,498	\$ 3,480,942	\$ 4,289,440
Certificate of Deposit	1,115,756	-	-	1,115,756
U.S. Treasury Securities	-	-	410,078	410,078
U.S. Government Agencies	-	-	10,526,852	10,526,852
Corporate Bonds/Notes	25,376	-	18,909,188	18,934,564
Municipal Bonds	-	-	4,842,839	4,842,839
Other Bonds	-	-	1,034,985	1,034,985
Mutual Funds	8,971,608	-	3,593,269	12,564,877
Mutual Funds — Fixed	-	27,385,010	-	27,385,010
Mutual Funds — Equity	-	83,396,932	-	83,396,932
Equity	-	-	202,575	202,575
Exchange Traded Funds	-	7,852,250	-	7,852,250
Illiquid Real Assets	-	11,677,419	-	11,677,419
Private Equity	-	22,636,422	-	22,636,422
Marketable Alternative	79,370	35,316,984	-	35,396,354
Real Estate	231,452	-	333,811	565,263
Other	-	-	402,408	402,408
Total Investments	\$ 10,423,562	\$ 189,073,515	\$ 43,736,947	\$ 243,234,024

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

Additional Risk Disclosures for Investments – GASB Statements 3 and 40 require certain additional disclosures related to the risks of custodial credit, interest rates, credit, foreign currency, and concentration of credit associated with deposits and investments.

Custodial Credit Risk — For an investment, custodial credit risk 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 investment or collateral securities that are in possession of an outside party. Mutual funds and external investment pools are not exposed to custodial credit risk. The University does not have a policy concerning custodial credit risk on investments.

As of June 30, 2015 and 2014, the Primary Institution had no investments subject to custodial credit risk; the Component Units had exposure to custodial credit risk in the amount of \$7,026,278 and \$19,413,786, respectively.

Interest rate risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. The University does have policies to mitigate exposure to interest rate risk by prohibiting certain high-risk investments and investment practices and by establishing duration and maturity guidelines for investments. A summary of the investments as of June 30, 2015 and 2014 and their exposure to interest rate risk are as follows:

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

<i>Primary Institution 2015</i>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1 Year</u>	<u>1—5 Years</u>	<u>6—10 Years</u>	<u>Greater than 10 Years</u>
Items subject to interest rate risk:					
Money Market	\$ 33,154,926	\$ 33,154,926	\$ -	\$ -	\$ -
Certificates of Deposit	10,262,906	3,985,613	6,277,293	-	-
U.S. Treasury Securities	113,177,516	849,737	112,327,779	-	-
U.S. Government Agencies	70,843,320	7,879,421	61,467,484	1,496,415	-
Corporate Bonds/Notes	120,122,237	21,825,557	96,876,438	1,420,242	-
Municipal Bonds	16,922,084	4,484,264	12,437,820	-	-
	<u>\$ 364,482,989</u>	<u>\$ 72,179,518</u>	<u>\$ 289,386,814</u>	<u>\$ 2,916,657</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Cash	\$ 2,039,990				
Money Market Account	7,356,619				
Mutual Funds — Fixed	70,090,153				
Mutual Funds — Equity	173,414,982				
Equity	21,453,460				
Exchange Traded Funds	12,525,380				
Illiquid Real Assets	19,113,638				
Private Equity	42,210,748				
Marketable Alternatives	81,134,345				
Land Grant Permanent Fund	209,543,087				
<i>University of New Mexico Foundation, Inc</i>					
<i>Investments held in Consolidated Investment Fund</i>	(188,958,673)				
	<u>\$ 449,923,729</u>				
Total Investments	<u>\$ 814,406,718</u>				

<i>Primary Institution 2014</i>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1 Year</u>	<u>1—5 Years</u>	<u>6—10 Years</u>	<u>Greater than 10 Years</u>
Items subject to interest rate risk:					
Money Market	\$ 37,284,412	\$ 37,284,412	\$ -	\$ -	\$ -
Certificates of Deposit	5,288,510	3,208,367	2,080,143	-	-
Repurchase Agreements	13,417,413	-	-	-	13,417,413
U.S. Treasury Securities	85,722,986	6,966,945	78,756,041	-	-
U.S. Government Agencies	88,606,084	12,347,120	69,948,918	6,310,046	-
Corporate Bonds/Notes	107,264,165	8,901,425	98,362,740	-	-
Municipal Bonds	16,346,274	1,354,924	14,991,350	-	-
	<u>\$ 353,929,844</u>	<u>\$ 70,063,193</u>	<u>\$ 264,139,192</u>	<u>\$ 6,310,046</u>	<u>\$ 13,417,413</u>
Items not subject to interest rate risk:					
Cash	\$ 117,044				
Money Market Account	1,705,249				
Mutual Funds — Fixed	60,142,009				
Mutual Funds — Equity	183,153,447				
Equity	21,113,513				
Exchange Traded Funds	17,244,838				
Illiquid Real Assets	25,645,542				
Private Equity	49,713,322				
Marketable Alternatives	77,561,935				
Land Grant Permanent Fund	207,068,445				
<i>University of New Mexico Foundation, Inc</i>					
<i>Investments held in Consolidated Investment Fund</i>	(189,073,515)				
	<u>\$ 454,391,829</u>				
Total Investments	<u>\$ 808,321,673</u>				

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

<i>Component Units 2015</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1—5 Years	6—10 Years	Greater than 10 Years
Items subject to interest rate risk:					
Certificates of Deposit	\$ 2,120,124	\$ 1,822,189	\$ 297,935	\$ -	\$ -
U.S. Government Agencies	11,055,533	1,763,127	9,292,406	-	-
Corporate Bonds/Notes	5,786,942	982,436	4,804,506	-	-
Municipal Bonds	3,964,827	653,289	1,391,957	1,319,996	599,585
	<u>\$ 22,927,426</u>	<u>\$ 5,221,041</u>	<u>\$ 15,786,804</u>	<u>\$ 1,319,996</u>	<u>\$ 599,585</u>
Items not subject to interest rate risk:					
Money Market Account	\$ 8,808,352				
Mutual Funds	18,406,085				
Mutual Funds — Fixed	32,637,179				
Mutual Funds — Equity	80,749,943				
Equity	11,054				
Exchange Traded Funds	5,832,389				
Illiquid Real Assets	8,900,183				
Private Equity	19,655,253				
Marketable Alternatives	38,031,275				
Real Estate	611,606				
Other	385,368				
	<u>\$ 214,028,687</u>				
Total Investments	\$ 236,956,113				

<i>Component Units 2014</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1—5 Years	6—10 Years	Greater than 10 Years
Items subject to interest rate risk:					
Certificates of Deposit	\$ 1,115,756	\$ 819,060	\$ 296,696	\$ -	\$ -
U.S. Treasury Securities	410,078	-	410,078	-	-
U.S. Government Agencies	10,526,852	1,146,506	9,147,520	-	232,826
Corporate Bonds/Notes	18,934,564	1,734,920	16,186,147	1,013,497	-
Municipal Bonds	4,842,839	622,123	2,122,756	1,270,220	827,740
Other Bonds	1,034,985	-	-	834,401	200,584
	<u>\$ 36,865,074</u>	<u>\$ 4,322,609</u>	<u>\$ 28,163,197</u>	<u>\$ 3,118,118</u>	<u>\$ 1,261,150</u>
Items not subject to interest rate risk:					
Money Market Account	\$ 4,289,440				
Mutual Funds	12,564,877				
Mutual Funds — Fixed	27,385,010				
Mutual Funds — Equity	83,396,932				
Equity	202,575				
Exchange Traded Funds	7,852,250				
Illiquid Real Assets	11,677,419				
Private Equity	22,636,422				
Marketable Alternatives	35,396,354				
Real Estate	565,263				
Other	402,408				
	<u>\$ 206,368,950</u>				
Total Investments	\$ 243,234,024				

Credit risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information, as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk. The University does have a policy to limit its exposure to credit risk that states that investments should have an average credit quality of A1/A+ or better and security ratings of investment grade. A summary of the investments at June 30, 2015 and 2014 and their exposure to credit risk are as follows:

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

Primary Institution 2015

Items subject to credit risk:

Credit Rating	Money Market	Repurchase Agreements	U.S. Government Agencies	Corporate Bonds/Notes	Municipal Bonds	Fair Value
Moody's — Aaa	\$ -	\$ -	\$ 60,436,067	\$ 1,497,752	\$ 2,480,297	\$ 64,414,116
S&P — AAA	-	-	-	-	150,311	150,311
Moody's — Aa1	-	-	-	6,431,889	3,959,261	10,391,150
S&P — AA+	-	-	998,610	-	-	998,610
Moody's — Aa2	-	-	-	2,806,886	5,295,036	8,101,922
Moody's — Aa3	-	-	-	11,996,554	3,393,994	15,390,548
Moody's — A1	-	-	-	19,297,439	1,643,185	20,940,624
Moody's — A2	-	-	-	16,324,479	-	16,324,479
Moody's — A3	-	-	-	15,190,998	-	15,190,998
Moody's — Baa1	-	-	-	33,199,450	-	33,199,450
Moody's — Baa2	-	-	-	11,925,050	-	11,925,050
Moody's — Baa3	-	-	-	1,451,740	-	1,451,740
Not Rated	33,154,926	-	9,408,643	-	-	42,563,569
Total items subject to credit risk	\$ 33,154,926	\$ -	\$ 70,843,320	\$ 120,122,237	\$ 16,922,084	\$ 241,042,567

Items not subject to credit risk:

Cash	\$ 2,039,990
Money Market Account	7,356,619
Certificate of Deposit	10,262,906
U.S. Treasury Securities	113,177,516
Mutual Funds — Fixed	70,090,153
Mutual Funds — Equity	173,414,982
Equity	21,453,460
Exchange Traded Funds	12,525,380
Illiquid Real Assets	19,113,638
Private Equity	42,210,748
Marketable Alternatives	81,134,345
Land Grant Permanent Fund	209,543,087
Total items not subject to credit risk	\$ 762,322,824

University of New Mexico Foundation, Inc.
Investments held in Consolidated Investment Fund — Not Rated
\$ (188,958,673)
Total Investments
\$ 814,406,718

Primary Institution 2014

Items subject to credit risk:

Credit Rating	Money Market	Repurchase Agreements	U.S. Government Agencies	Corporate Bonds/Notes	Municipal Bonds	Fair Value
Moody's — Aaa	\$ -	\$ -	\$ 78,507,477	\$ 1,504,994	\$ 2,474,559	\$ 82,487,030
Moody's — Aa1	-	-	-	5,216,994	4,564,192	9,781,186
S&P — AA+	-	-	-	-	152,552	152,552
Moody's — Aa2	-	-	-	2,960,755	4,806,177	7,766,932
S&P — AA	-	-	-	-	500,155	500,155
Moody's — Aa3	-	-	-	16,205,063	2,200,404	18,405,467
Moody's — A1	-	-	-	14,530,427	1,648,235	16,178,662
Moody's — A2	-	-	-	19,167,819	-	19,167,819
Moody's — A3	-	-	-	14,244,565	-	14,244,565
Moody's — Baa1	-	13,417,413	-	24,603,757	-	38,021,170
Moody's — Baa2	-	-	-	8,047,878	-	8,047,878
Moody's — Baa3	-	-	-	781,913	-	781,913
Not Rated	37,284,412	-	10,098,607	-	-	47,383,019
Total items subject to credit risk	\$ 37,284,412	\$ 13,417,413	\$ 88,606,084	\$ 107,264,165	\$ 16,346,274	\$ 262,918,348

Items not subject to credit risk:

Cash	\$ 117,044
Money Market Account	1,705,249
Certificate of Deposit	5,288,510
U.S. Treasury Securities	85,722,986
Mutual Funds — Fixed	60,142,009
Mutual Funds — Equity	183,153,447
Equity	21,113,513
Exchange Traded Funds	17,244,838
Illiquid Real Assets	25,645,542
Private Equity	49,713,322
Marketable Alternatives	77,561,935
Land Grant Permanent Fund	207,068,445
Total items not subject to credit risk	\$ 734,476,840

University of New Mexico Foundation, Inc.
Investments held in Consolidated Investment Fund — Not Rated
\$ (189,073,515)
Total Investments
\$ 808,321,673

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

Component Units 2015

Items subject to credit risk:

Credit Rating	U.S.			Municipal Bonds	Fair Value
	Government Agencies	Corporate Bonds/Notes	Other Bonds		
Moody's — Aaa	\$ -	\$ -	\$ -	\$ 797,087	\$ 797,087
S&P — AAA	11,055,533	-	-	232,164	11,287,697
Moody's — Aa1	-	-	-	380,230	380,230
Moody's — Aa2	-	-	-	1,108,922	1,108,922
S&P — AA	-	1,241,991	-	321,518	1,563,509
Moody's — Aa3	-	-	-	436,746	436,746
S&P — A	-	3,722,843	-	238,501	3,961,344
Moody's — A1	-	-	-	106,217	106,217
Moody's — A2	-	-	-	57,454	57,454
Moody's — A3	-	-	-	64,662	64,662
S&P — BBB	-	822,108	-	-	822,108
Not Rated	-	-	-	221,326	221,326
Total items subject to credit risk	\$ 11,055,533	\$ 5,786,942	\$ -	\$ 3,964,827	\$ 20,807,302

Items not subject to credit risk:

Money Market Account	\$ 8,808,352
Certificate of Deposit	2,120,124
Mutual Funds	18,406,085
Mutual Funds — Fixed	32,637,179
Mutual Funds — Equity	80,749,943
Equity	11,054
Exchange Traded Funds	5,832,389
Illiquid Real Assets	8,900,183
Private Equity	19,655,253
Marketable Alternative	38,031,275
Real Estate	611,606
Other	385,368
Total items not subject to credit risk	\$ 216,148,811
Total Investments	\$ 236,956,113

Component Units 2014

Items subject to credit risk:

Credit Rating	U.S.			Municipal Bonds	Fair Value
	Government Agencies	Corporate Bonds/Notes	Other Bonds		
Moody's — Aaa	\$ -	\$ -	\$ -	\$ 919,072	\$ 919,072
S&P — AAA	10,294,026	-	-	432,385	10,726,411
Moody's — Aa1	-	399,351	-	395,452	794,803
Moody's — Aa2	-	363,614	-	1,116,166	1,479,780
S&P — AA	-	2,069,506	-	865,593	2,935,099
Moody's — Aa3	-	618,985	-	443,023	1,062,008
S&P — A	-	5,378,312	-	239,804	5,618,116
Moody's — A1	-	2,141,964	-	109,385	2,251,349
Moody's — A2	-	2,159,738	-	59,173	2,218,911
Moody's — A3	-	2,199,005	-	59,805	2,258,810
S&P — BBB+	-	25,376	-	-	25,376
Moody's — Baa1	-	1,272,708	-	5,894	1,278,602
Moody's — Baa2	-	1,223,973	211,493	-	1,435,466
Moody's — Baa3	-	208,774	-	-	208,774
S&P — BBB	-	873,258	-	-	873,258
Not Rated	232,826	-	823,492	197,087	1,253,405
Total items subject to credit risk	\$ 10,526,852	\$ 18,934,564	\$ 1,034,985	\$ 4,842,839	\$ 35,339,240

Items not subject to credit risk:

Money Market Account	\$ 4,289,440
Certificate of Deposit	1,115,756
U.S. Treasury Securities	410,078
Mutual Funds	12,564,877
Mutual Funds — Fixed	27,385,010
Mutual Funds — Equity	83,396,932
Equity	202,575
Exchange Traded Funds	7,852,250
Illiquid Real Assets	11,677,419
Private Equity	22,636,422
Marketable Alternative	35,396,354
Real Estate	565,263
Other	402,408
Total items not subject to credit risk	\$ 207,894,784
Total Investments	\$ 243,234,024

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June 30, 2015 and 2014

Foreign currency risk — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. In order to mitigate foreign currency risk, University policy allows for currency forwards to be implemented as a hedge to the global fixed income portfolio when deemed appropriate. In addition, University policy states that the portfolio will not invest more than 5% of the total market value of its investments (measured at the time of purchase) in the debt obligations of any single fixed income issuer; however, securities issued and guaranteed by Organization for Economic Cooperation and Development (OECD) nations may be held without limitation. As of June 30, 2015 and 2014, the University had no investments subject to foreign currency risk.

Concentration of Credit Risk — Concentration risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued and explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The University does have a policy to limit its exposure to concentrated credit risk that states that investments shall be diversified with the intent to minimize the risk of large investment losses. For the fiscal year ended June 30, 2015, the University had 10.82% of its investments in Blackrock US Equity Fund (held at Northern Trust) and 8.68% in Blackrock World Ex US (also held at Northern Trust).

Investment Income — At June 30, 2015 and 2014, investment income consisted of the following:

	<u>2015</u>	<u>2014</u>
Primary Institution Investment Income		
<i>Investment Revenue</i>		
Investment income	\$ 1,186,411	\$ 1,775,216
Land Grant Permanent Fund distributions	9,518,002	8,749,529
<i>Realized Gains/(Losses)</i>		
Endowments — Consolidated Investment Fund	10,264,329	29,662,933
Non-Endowment investments	355,320	471,694
<i>Unrealized Gains/(Losses)</i>		
Land Grant Permanent Fund	2,474,642	23,987,576
Endowments — Consolidated Investment Fund	(13,086,226)	4,282,067
Non-Endowment investments	605,620	1,249,871
Primary Institution Investment Income	<u>\$ 11,318,098</u>	<u>\$ 70,178,886</u>
Component Units Investment Income	<u>\$ (1,164,851)</u>	<u>\$ 33,174,074</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

(4) Accounts Receivable, Patient Receivables, and Other Receivables

Accounts receivable, patient receivables, and other receivables are shown net of allowances for doubtful accounts in the accompanying statements of net position. At June 30, 2015 and 2014, receivables consisted of the following:

	<u>2015</u>	<u>2014</u>
Primary Institution accounts receivable, net		
Contracts and grants	\$ 40,942,266	\$ 34,267,979
HSC health services	2,553,152	2,575,981
Sales and services	8,022,942	6,468,024
Auxiliaries	10,739,925	11,406,767
Tuition and fees	14,455,659	13,327,546
State lottery scholarships	3,401,023	-
State of New Mexico bonds	11,006,901	2,864,686
Other	1,920,345	3,155,588
	<u>\$ 93,042,213</u>	<u>\$ 74,066,571</u>
Less: Allowances for doubtful accounts	<u>(19,888,577)</u>	<u>(19,742,841)</u>
	<u>\$ 73,153,636</u>	<u>\$ 54,323,730</u>
Component Units accounts receivable, net	<u>\$ 2,724,192</u>	<u>\$ 2,432,816</u>
Primary Institution patient receivables, net		
Patient receivables	\$ 356,467,431	\$ 320,703,669
Less: Allowance for doubtful accounts	<u>(221,156,180)</u>	<u>(219,931,258)</u>
	<u>\$ 135,311,251</u>	<u>\$ 100,772,411</u>
Component Units patient receivables, net		
Patient receivables	\$ 79,906,284	\$ 80,887,416
Less: Allowance for doubtful accounts	<u>(41,130,281)</u>	<u>(49,290,620)</u>
	<u>\$ 38,776,003</u>	<u>\$ 31,596,796</u>
Primary Institution other receivables, net		
Bernalillo County Treasurer	\$ 1,667,762	\$ 1,547,352
Other receivables	3,610,825	3,191,556
	<u>\$ 5,278,587</u>	<u>\$ 4,738,908</u>
Component Units other receivables, net	<u>\$ 1,591,639</u>	<u>\$ 4,657,924</u>

(5) Notes Receivable

Notes receivable are shown net of allowance for doubtful accounts in the accompanying statements of net position. At June 30, 2015 and 2014, notes receivable consisted of the following:

	<u>2015</u>	<u>2014</u>
Primary Institution notes receivable, net		
Current		
Student loans	<u>\$ 3,274,328</u>	<u>\$ 5,754,619</u>
Noncurrent		
Student loans	<u>\$ 9,665,543</u>	<u>\$ 10,211,214</u>

Federal Perkins Loans make up approximately 70% and 60% of the student loans at June 30, 2015 and 2014, respectively. Under this program, the federal government provides funds for approximately 75% of the total contribution for student loans, with the University providing the remaining balance. Under certain conditions, such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University 10% for the amounts canceled on loans originated prior to July 1, 1993 under the Federal Perkins Loan Program.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

(6) Capital Assets (in thousands)

	Year Ended June 30, 2015				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
University capital assets not being depreciated					
Land	\$ 49,391	\$ 236	\$ 17	\$ -	\$ 49,644
Construction in progress	15,705	29,565	(18,913)	-	26,357
Total capital assets not being depreciated	<u>\$ 65,096</u>	<u>\$ 29,801</u>	<u>\$ (18,896)</u>	<u>\$ -</u>	<u>\$ 76,001</u>
University depreciable capital assets					
Land improvements	\$ 65,217	\$ -	\$ 133	\$ -	\$ 65,350
Infrastructure	162,797	-	-	-	162,797
Buildings	1,110,253	-	18,763	-	1,129,016
Equipment and furnishings	228,083	11,421	-	(10,701)	228,803
Library books	163,139	6,394	-	-	169,533
Total depreciable capital assets	<u>\$ 1,729,489</u>	<u>\$ 17,815</u>	<u>\$ 18,896</u>	<u>\$ (10,701)</u>	<u>\$ 1,755,499</u>
Less: Accumulated depreciation for					
Land improvements	\$ (36,989)	\$ (2,125)	\$ -	\$ -	\$ (39,114)
Infrastructure	(82,298)	(7,604)	-	-	(89,902)
Buildings	(410,885)	(30,503)	-	-	(441,388)
Equipment and furnishings	(186,735)	(14,338)	-	10,160	(190,913)
Library books	(150,102)	(6,518)	-	-	(156,620)
Total accumulated depreciation	<u>\$ (867,009)</u>	<u>\$ (61,088)</u>	<u>\$ -</u>	<u>\$ 10,160</u>	<u>\$ (917,937)</u>
University depreciable capital assets, net	<u>\$ 862,480</u>	<u>\$ (43,273)</u>	<u>\$ 18,896</u>	<u>\$ (541)</u>	<u>\$ 837,562</u>
Capital asset summary					
University capital assets not being depreciated	\$ 65,096	\$ 29,801	\$ (18,896)	\$ -	\$ 76,001
University depreciable capital assets at cost	1,729,489	17,815	18,896	(10,701)	1,755,499
University total cost of capital assets	<u>\$ 1,794,585</u>	<u>\$ 47,616</u>	<u>\$ -</u>	<u>\$ (10,701)</u>	<u>\$ 1,831,500</u>
Less: Accumulated depreciation	(830,588)	(59,523)	-	9,180	(880,931)
Less: Accumulated depreciation – Auxiliaries	(36,421)	(1,565)	-	980	(37,006)
University capital assets, net	<u>\$ 927,576</u>	<u>\$ (13,472)</u>	<u>\$ -</u>	<u>\$ (541)</u>	<u>\$ 913,563</u>
Clinical Operations capital assets	\$ 602,089	\$ 25,146	\$ (212)	\$ (11,852)	\$ 615,171
Less: Accumulated depreciation	(354,229)	(33,706)	212	11,846	(375,877)
Clinical Operations capital assets, net	<u>\$ 247,860</u>	<u>\$ (8,560)</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ 239,294</u>
Primary Institution capital assets, net	<u>\$ 1,175,436</u>	<u>\$ (22,032)</u>	<u>\$ -</u>	<u>\$ (547)</u>	<u>\$ 1,152,857</u>
Component Units capital assets, net	<u>\$ 168,606</u>	<u>\$ 429</u>	<u>\$ (58)</u>	<u>\$ -</u>	<u>\$ 168,977</u>

The University capitalizes interest expense incurred during the period an asset is being prepared for its intended use. For the years ended June 30, 2015 and 2014, the University capitalized interest expense of \$64,224 and \$44,458, respectively.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

	Year Ended June 30, 2014				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
University capital assets not being depreciated					
Land	\$ 45,928	\$ -	\$ 3,463	\$ -	\$ 49,391
Construction in progress	15,129	17,634	(17,058)	-	15,705
Total capital assets not being depreciated	<u>\$ 61,057</u>	<u>\$ 17,634</u>	<u>\$ (13,595)</u>	<u>\$ -</u>	<u>\$ 65,096</u>
University depreciable capital assets					
Land improvements	\$ 60,978	\$ -	\$ 4,239	\$ -	\$ 65,217
Infrastructure	160,944	-	1,853	-	162,797
Buildings	1,102,750	-	7,503	-	1,110,253
Equipment and furnishings	228,372	12,906	-	(13,195)	228,083
Library books	156,883	6,256	-	-	163,139
Total depreciable capital assets	<u>\$ 1,709,927</u>	<u>\$ 19,162</u>	<u>\$ 13,595</u>	<u>\$ (13,195)</u>	<u>\$ 1,729,489</u>
Less: Accumulated depreciation for					
Land improvements	\$ (34,878)	\$ (2,111)	\$ -	\$ -	\$ (36,989)
Infrastructure	(74,694)	(7,604)	-	-	(82,298)
Buildings	(381,296)	(29,589)	-	-	(410,885)
Equipment and furnishings	(184,547)	(15,031)	-	12,843	(186,735)
Library books	(143,583)	(6,519)	-	-	(150,102)
Total accumulated depreciation	<u>\$ (818,998)</u>	<u>\$ (60,854)</u>	<u>\$ -</u>	<u>\$ 12,843</u>	<u>\$ (867,009)</u>
University depreciable capital assets, net	<u>\$ 890,929</u>	<u>\$ (41,692)</u>	<u>\$ 13,595</u>	<u>\$ (352)</u>	<u>\$ 862,480</u>
Capital asset summary					
University capital assets not being depreciated	\$ 61,057	\$ 17,634	\$ (13,595)	\$ -	\$ 65,096
University depreciable capital assets at cost	1,709,927	19,162	13,595	(13,195)	1,729,489
University total cost of capital assets	\$ 1,770,984	\$ 36,796	\$ -	\$ (13,195)	\$ 1,794,585
Less: Accumulated depreciation	(783,932)	(59,262)	-	12,606	(830,588)
Less: Accumulated depreciation – Auxiliaries	(35,066)	(1,592)	-	237	(36,421)
University capital assets, net	<u>\$ 951,986</u>	<u>\$ (24,058)</u>	<u>\$ -</u>	<u>\$ (352)</u>	<u>\$ 927,576</u>
Clinical Operations capital assets	\$ 587,926	\$ 17,887	\$ -	\$ (3,724)	\$ 602,089
Less: Accumulated depreciation	(326,077)	(31,665)	-	3,513	(354,229)
Clinical Operations capital assets, net	<u>\$ 261,849</u>	<u>\$ (13,778)</u>	<u>\$ -</u>	<u>\$ (211)</u>	<u>\$ 247,860</u>
Primary Institution capital assets, net	<u>\$ 1,213,835</u>	<u>\$ (37,836)</u>	<u>\$ -</u>	<u>\$ (563)</u>	<u>\$ 1,175,436</u>
Component Units capital assets, net	<u>\$ 173,105</u>	<u>\$ (4,474)</u>	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ 168,606</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

(7) Accounts Payable and Accrued Payroll

At June 30, 2015 and 2014, accounts payable and accrued payroll consisted of the following:

	<u>2015</u>	<u>2014</u>
Primary Institution accounts payable and accrued payroll		
Trade payables	\$ 21,560,031	\$ 14,048,495
Clinical operations – trade payables	49,991,014	42,244,986
Accrued payroll	41,779,193	35,830,489
Clinical operations – accrued payroll	13,262,693	12,929,736
Self-insurance reserve	18,842,981	22,555,358
Clinical operations – self-insurance reserve	3,920,543	4,241,555
	<u>\$149,356,455</u>	<u>\$131,850,619</u>
 Component Units accounts payable and accrued payroll	 <u>\$ 16,816,017</u>	 <u>\$ 14,717,351</u>

(8) Accrued Compensated Absences

During the years ended June 30, 2015 and 2014, the following changes occurred in accrued compensated absences:

<u>Fiscal Year</u>	<u>Balance July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
2015	\$48,493,643	\$57,292,287	\$ (54,286,017)	\$ 51,499,913
2014	46,720,237	54,093,346	(52,319,940)	48,493,643

The portion of accrued compensated absences due after one year is not material and, therefore, is not presented separately.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

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(9) Other Accrued Liabilities — Current

At June 30, 2015 and 2014, other accrued liabilities consisted of the following:

	<u>2015</u>	<u>2014</u>
Primary Institution other accrued liabilities		
Bond interest	\$ 1,503,342	\$ 1,596,527
Clinical operations – bond interest	426,825	3,908,150
Other	9,156,644	4,411,391
Clinical operations – other	160,377	77,524
	<u>\$ 11,247,188</u>	<u>\$ 9,993,592</u>
Component Units other accrued liabilities	<u>\$ 1,129,633</u>	<u>\$ 2,515,093</u>

(10) Unearned Revenue

At June 30, 2015 and 2014, unearned revenue consisted of the following:

	<u>2015</u>	<u>2014</u>
Primary Institution unearned revenue		
Contracts and grants	\$ 25,644,410	\$ 21,680,010
Prepaid tuition and fees	6,840,219	8,860,699
Prepaid auxiliary operations sales	4,438,163	3,378,645
Gifts	6,447,886	5,067,003
Sales and services	1,060,598	2,366,047
Other	136,696	146,722
	<u>\$ 44,567,972</u>	<u>\$ 41,499,126</u>
Component Units unearned revenue	<u>\$ 1,341,598</u>	<u>\$ 802,562</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

(12) Bonds Payable

(A) University

The University pledges substantially all unrestricted revenues, excluding state appropriations, to satisfy its bond obligations. Pledged revenues for the University were \$495,645,485 and \$526,525,041 as of June 30, 2015 and 2014 (see Schedule 13).

At June 30, 2015 and 2014, bonds payable for the University consisted of the following:

	<u>2015</u>	<u>2014</u>
Subordinate Lien System Improvement Revenue Bonds Series 2014A with interest ranging from 3.0% to 5.0% – final maturity 2033	\$ 9,715,000	\$ -
Subordinate Lien System Improvement Revenue Bonds Series 2014B with interest ranging from 0.496% to 3.28% – final maturity 2024	3,365,000	-
Subordinate Lien System Improvement Revenue Bonds Series 2014C with interest ranging from 1.5% to 5.0% – final maturity 2035	97,615,000	-
Subordinate Lien System Improvement Revenue Bonds Series 2012 with interest ranging from 2.0% to 5.0% – final maturity 2032	30,545,000	31,890,000
Subordinate Lien System Improvement Revenue Bonds Series 2007 A&B with interest ranging from 4.0% to 5.95% – final maturity 2036	127,865,000	129,780,000
Subordinate Lien System Improvement Revenue Bonds Series 2005 with interest ranging from 3.0% to 5.0% – final maturity 2035	-	113,480,000
Subordinate Lien System Refunding Revenue Bonds Series 2003A with interest ranging from 2.00% to 5.25% – final maturity 2018	-	7,345,000
Subordinate Lien System Revenue Bonds Series 2003B with interest ranging from 4.5% to 4.6% – final maturity 2033	-	5,435,000
Subordinate Lien System Revenue Bonds (Taxable) Series 2003C with interest ranging from 1.35% to 5.625% – final maturity 2024	-	3,785,000
Subordinate Lien System Refunding Revenue Bonds Series 2002B (Variable) with a synthetic fixed interest rate of 3.83% achieved through an interest rate exchange agreement final maturity 2026	19,060,000	20,600,000
Subordinate Lien System Refunding Revenue Bonds Series 2002C (Variable) with a synthetic fixed interest rate of 3.94% achieved through an interest rate exchange agreement final maturity 2030	33,405,000	34,315,000
Subordinate Lien System Improvement Revenue Bonds Series 2001 Variable Rate Demand Bonds — rates reset weekly Weekly rate as of June 30, 2015 was 0.07% Ceiling of 12% – final maturity 2026	31,020,000	33,190,000
System Revenue Bonds Series 2000B with interest ranging from 5.5% to 6.35% – final maturity 2019	1,332,234	1,775,168
System Revenue Refunding Bonds Series 1992A with interest ranging from 5.60% to 6.25% – final maturity 2021	13,670,000	15,620,000
	<u>\$ 367,592,234</u>	<u>\$ 397,215,168</u>
Add: Bond premiums	24,774,894	10,161,523
Less: Bond discounts	(30,846)	(2,604,543)
Current portion of bonds payable	(14,420,532)	(14,352,934)
Noncurrent bonds payable	<u>\$ 377,915,750</u>	<u>\$ 390,419,214</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

Future debt service for the University as of June 30, 2015 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
2016	\$ 14,420,532	\$ 18,040,098	\$ 32,460,630
2017	15,032,970	17,437,094	32,470,064
2018	15,681,923	16,795,952	32,477,875
2019	16,816,809	15,781,568	32,598,377
2020	18,055,000	14,559,149	32,614,149
2021–2025	101,255,000	59,720,940	160,975,940
2026–2030	98,095,000	35,898,271	133,993,271
2031–2035	78,895,000	14,061,250	92,956,250
2036	9,340,000	467,000	9,807,000
	<u>\$ 367,592,234</u>	<u>\$ 192,761,322</u>	<u>\$ 560,353,556</u>

Defeased Bonds:

The University has defeased certain System Revenue Bonds as follows:

On October 1, 1992, the University defeased \$3,095,000 of the 1986A series, \$24,765,000 of the 1989 series, and \$4,825,000 of the 1991 series. Sinking fund moneys in the amount of \$36,650,538 from the 1992A Refunding Revenue Bonds were placed in an irrevocable trust to provide for all future debt service payments. The refunding resulted in debt service savings to the University. The remaining principal outstanding in the escrow account at June 30, 2015 is \$4,825,000.

The liability for defeased bonds and the related assets held in trust are not included in the accompanying basic financial statements since the University has satisfied its obligation for payment of the defeased bonds.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Refundings:

The Series 2014 A, B, and C Subordinate Lien System Refunding Revenue Bonds were issued by the University for the purpose of providing moneys used to finance the refunding and redemption of various maturities of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2003A, 2003B, 2003C, and 2005.

2014A Series. On November 12, 2014, the UNM 2014A Subordinate Lien System Refunding Revenue Bonds were issued. On November 25, 2014, the UNM 2003A and 2003B Subordinate Lien System Refunding and Improvement Bonds were redeemed using the proceeds from the UNM 2014A Subordinate Lien System Refunding Revenue Bonds in the amount of \$10,890,000.

Sources of Funds

Bond Proceeds	\$ 10,980,000
Net Premium	1,022,589
Transfers from Prior Issue Debt Service Reserve Fund	2,213,000
Payments from Debt Service and Reserve Fund	532,619
Total Sources of Funds	<u><u>\$ 14,748,208</u></u>

Uses of Funds

Deposit to Refunding Escrow	\$ 13,238,965
Deposit to Debt Service Reserve Fund	1,294,735
Costs of Issuance	150,000
Underwriter's Discount	49,973
Additional Proceeds	2,608
Surety Premium	11,927
Total Uses of Funds	<u><u>\$ 14,748,208</u></u>

Cash Flow Differential

<u>Prior Refunded Debt Service</u>	<u>Refunding Debt Service</u>	<u>Refunding Savings</u>
\$ 17,599,081	\$ 14,161,599	\$ 3,437,482

Economic Gain / (Loss)

Net PV savings from Cash Flow	\$ 2,558,573
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THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015 and 2014

2014B Series. On November 12, 2014, the UNM 2014B Subordinate Lien System Refunding Revenue Bonds were issued. On November 25, 2014, the UNM 2003C Subordinate Lien System Refunding and Improvement Bonds were redeemed using the proceeds from the UNM 2014B Subordinate Lien System Refunding Revenue Bonds in the amount of \$3,710,000.

Sources of Funds

Bond Proceeds	\$ 3,710,000
Transfers from Prior Issue Debt Service Reserve Fund	98,874
Total Sources of Funds	\$ 3,808,874

Uses of Funds

Deposit to Refunding Escrow	\$ 3,730,579
Costs of Issuance	50,000
Underwriter's Discount	22,971
Additional Proceeds	686
Surety Premium	4,638
Total Uses of Funds	\$ 3,808,874

Cash Flow Differential

<u>Prior Refunded Debt Service</u>	<u>Refunding Debt Service</u>	<u>Refunding Savings</u>
\$ 4,697,598	\$ 4,205,548	\$ 492,050

Economic Gain / (Loss)

Net PV savings from Cash Flow	\$ 420,940
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2014C Series. On December 2, 2014, the UNM 2014C Subordinate Lien System Refunding Revenue Bonds were issued. On June 1, 2015, the UNM 2005 Subordinate Lien System Refunding and Improvement Bonds were redeemed using the proceeds from the UNM 2014C Subordinate Lien System Refunding Revenue Bonds in the amount of \$100,085,000.

Sources of Funds

Bond Proceeds	\$ 100,085,000
Net Premium	16,942,073
Total Sources of Funds	\$ 117,027,073

Uses of Funds

Deposit to Refunding Escrow	\$ 116,086,199
Costs of Issuance	440,000
Underwriter's Discount	376,844
Additional Proceeds	2,350
Surety Premium	121,680
Total Uses of Funds	\$ 117,027,073

Cash Flow Differential

<u>Prior Refunded Debt Service</u>	<u>Refunding Debt Service</u>	<u>Refunding Savings</u>
\$ 176,223,841	\$ 159,623,489	\$ 16,600,352

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June 30, 2015 and 2014

Economic Gain / (Loss)

Principal amount of 2014C bonds	\$ 100,085,000
Original Issue Premium	16,942,073
Surety Bond Premium	<u>(121,681)</u>
Present value of future Debt Service Expense	\$ 116,905,392
Present value of 2005 Debt Service Expense	137,668,990
Net Economic Gain	<u><u>\$ 20,763,598</u></u>

Standby Purchase Agreements:

A Standby Purchase Agreement (SBPA) provides liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees are based on a percentage of the outstanding bond balance, payable semiannually. Liquidity fees for the years ended June 30, 2015 and 2014 were \$454,750 and \$607,781, respectively. On December 31, 2014, the SBPA with JP Morgan expired. A new SBPA with US Bank was entered into on December 31, 2014. A schedule including the provider and maturities is presented below, as of June 30, 2015:

US Bank (1)				
Liquidity Expiration	Series 2001	Series 2002B	Series 2002C	Grand Total
<u>12/29/2017</u>	<u>\$ 31,020,000</u>	<u>\$ 19,060,000</u>	<u>\$ 33,405,000</u>	<u>\$ 83,485,000</u>

The following provides the terms of the debt service requirements that would result if the SBPA commitments were to be exercised (bank bond rate, accelerated payment schedule, and lien):

- (1) Bank Rate: means, a rate per annum equal to (i) the period from and including the purchase date of such bank bond to and including the 30th day following such purchase date, the sum of 2% plus the base rate for such day, (ii) for the period from and including the 31st day immediately following the related purchase date to and including the 120th day following the related purchase date, the sum of 2.5% plus the base rate for such day, and (iii) the period from and after the 121st day immediately following the related purchase date, the sum of 3% plus the base rate for such day; provided that from and after the occurrence of an event of default, the "bank rate" shall mean the default rate; provided, further, that at no time shall the bank rate be less than the per annum interest rate applicable to bonds that are not bank bonds.
- (2) Base Rate: means, for any day, an interest rate per annum equal to the highest of (i) the sum of 1% plus the prime rate for such day, (ii) the sum of 1% plus the federal funds rate for such day, (iii) the sum of 1% plus the Securities Industry and Financial Markets Association (SIFMA) rate for such day, and (iv) 7.5%. Each change in the base rate shall take effect at the time of any change in the prime rate or federal funds rate.

Liquidity Fees

	2001	2002B	2002C	Total
FY15	<u>\$ 171,069</u>	<u>\$ 106,118</u>	<u>\$ 177,563</u>	<u>\$ 454,750</u>
FY14	<u>\$ 230,668</u>	<u>\$ 144,350</u>	<u>\$ 232,763</u>	<u>\$ 607,781</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Interest Rate Swap Agreements:

On June 30, 2015, the University had the following derivative instruments outstanding:

Item/ Counterparty	Type	Objective	Effective Date	Maturity Date	Terms	Current Year Fair Value	Prior Year Fair Value	Current Year Notional Amount	Prior Year Notional Amount
Hedging Derivatives									
A - JP Morgan	Pay-fixed/Receive-variable interest rate swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.16% Fixed	\$ (1,234,806)	\$ (1,261,178)	\$ 7,755,000	\$ 8,297,500
B - JP Morgan	Pay-fixed/Receive-variable interest rate swap	Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2030	Receive SIFMA USD - Pay 3.94% Fixed	\$ (5,946,753)	\$ (5,344,178)	\$ 33,405,000	\$ 34,315,000
C - JP Morgan	Pay-fixed/Receive-variable interest rate swap	Hedge against rising SIFMA rates related to the 2002B Refunding Revenue Bonds (Underlying Swap)	1/14/2003	6/1/2026	Receive SIFMA USD - Pay 3.83% Fixed	\$ (2,723,506)	\$ (2,702,069)	\$ 19,060,000	\$ 20,600,000
D - RBC Royal Bank	Pay-fixed/Receive-variable interest rate swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.185% Fixed	\$ (1,246,354)	\$ (1,274,523)	\$ 7,755,000	\$ 8,297,500
Investment Derivatives									
E - JP Morgan	Pay-variable/Receive-variable interest rate swap	Hedge against falling SIFMA rates related to the 2001 System Imprv Rev Bonds (Swap Overlays)	8/15/2006	6/1/2026	Receive 63.55% of 5-year LIBOR swap rate + .31% - Pay SIFMA	\$ 614,281	\$ 620,793	\$ 15,510,000	\$ 16,595,000
F - JP Morgan	Pay-variable/Receive-variable interest rate swap	Hedge against falling SIFMA rates related to the 2002C Refunding Rev Bonds (Swap Overlays)	8/15/2006	6/1/2030	Receive 63.55% of 5-year LIBOR swap rate + .31% - Pay SIFMA	\$ 1,501,356	\$ 1,285,201	\$ 33,405,000	\$ 34,315,000

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The fair values of the interest rate swaps are estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Risks

Credit risk. Each of the University's derivative instruments is held with the same counterparty except for Derivative Instrument D. Deterioration of credit ratings could indicate a potential inability of the counterparty to make the required periodic payments. The credit ratings for each of the counterparties are as follows:

Entity	Moody's		S & P		Fitch	
	L/T Rating	S/T Rating	L/T Rating	S/T Rating	L/T Rating	S/T Rating
JP Morgan	Aa3	P-1	A+	A1	AA-	F1+
RBC Royal Bank	Aa3	P-1	AA-	A1+	AA	F1+

Interest rate risk. The University is exposed to interest rate risk on its receive-variable, pay-fixed underlying interest rate swaps. As the Securities Industry and Financial Markets Association (SIFMA) swap index decreases, the University's net payment on the underlying swaps increases. Alternatively, on its pay-variable (SIFMA), receive-variable (LIBOR) overlay interest rate swaps, as LIBOR and the SIFMA swap index increases, the University's net payment on the overlay swaps increases.

Basis risk. The variable-rate debt hedged by the University's derivative instruments are variable-rate demand obligation (VRDO) bonds that are remarketed every seven days. The University is exposed to basis risk on its pay-variable (SIFMA), receive-variable (LIBOR) overlay interest rate swaps, because the variable-rate payments received by the University on these derivative instruments are based on a rate (LIBOR) other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2015, the interest rate on the University's variable-rate hedged debt (SIFMA) is 0.07%, while the 63.55% of five year LIBOR + 0.31% is 1.44%.

Termination risk. The University or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, the University is exposed to termination risk on Derivative Instruments B and C, because the contract provides the counterparty with an option to terminate the contract if the 180-day SIFMA is equal to or greater than 7% (knockout provision). The 180-day SIFMA is defined as the weighted average rate taken from the USD floating SIFMA index rates published within the previous 180-day period. If, at the time of termination, a derivative instrument is in a liability position, the University would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Rollover risk. The University is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the debt. When these derivative instruments terminate, or, in the case of a termination option, if the counterparty exercises its option, the University will be re-exposed to the risks being hedged by the derivative instrument. Derivative Instruments B and C expose the University to rollover risk because the counterparty has the option to terminate the contract by exercising a knockout option.

Foreign currency risk. The University has no exposure to foreign currency risk from its derivative instruments.

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Commitments

All of the University's derivative instruments include provisions that require the University to post collateral in the event its credit rating falls below certain levels. The University has entered into a two-way Credit Support Annex (CSA) with the swap counterparties, which is based on each party's long-term unsecured unsubordinated debt rating. The following matrix dictates the potential collateral postings if the swaps' mark-to-market values are above the mandated thresholds:

<u>Rating</u>	<u>Swap MTM Threshold for Party's A & B</u>	
AA/Aa2 and >	USD	\$ 25,000,000
AA-/Aa3	USD	\$ 20,000,000
A+/A1	USD	\$ 15,000,000
A/A2	USD	\$ 10,000,000
A-/A3	USD	\$ 5,000,000
BBB+/Baa1 and <	USD	\$ -

The collateral to be posted is to be in the form of U.S. Treasury securities in the amount of the fair value of derivative instruments in liability positions, net of the effect of applicable netting arrangements. If the University or the counterparty does not post collateral, the derivative instrument may be terminated. The University's credit rating is AA/Aa2 at June 30, 2015; therefore, no collateral has been posted.

Derivative Instrument Payments and Hedged Debt

As of June 30, 2015, aggregate debt service requirements of the University's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and current reference rates on hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The hedging derivative instruments column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivative Instruments, Net</u>	<u>Total</u>
2016	\$4,820,000	\$ 66,788	\$ 2,584,550	\$ 7,471,338
2017	4,650,000	149,464	2,302,868	7,102,332
2018	4,840,000	233,147	2,026,055	7,099,202
2019	5,570,000	307,829	1,756,509	7,634,338
2020	6,320,000	356,188	1,502,635	8,178,823
2021	6,580,000	369,488	1,279,184	8,228,672
2022	6,855,000	370,147	1,067,571	8,292,718
2023	7,155,000	344,223	890,963	8,390,186
2024	7,465,000	308,238	720,789	8,494,027
2025	7,770,000	261,609	557,681	8,589,290
2026	9,900,000	200,651	408,494	10,509,145
2027	2,900,000	112,710	230,044	3,242,754
2028	3,030,000	87,033	167,138	3,284,171
2029	3,160,000	58,271	105,281	3,323,552
2030	2,470,000	26,306	44,707	2,541,013

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Fiscal Year Changes in Swap Valuations

The swaps were put in place starting in fiscal years 2002 and 2003. The University has recorded the swaps at their estimated fair values as of June 30, 2015. Swaps A through D are deemed cash flow hedges, and therefore, in addition to recording the liability at fair value, the University has recorded an offsetting deferred outflow of resources. Annually, the changes to the fair values are recorded as an increase or decrease to the liability and the offset to the deferred outflow of resources. The fair value change in fiscal year 2015 for the hedge instruments was a \$569,471 increase to the liability and an equal offsetting increase to the deferred outflow of resources. For fiscal year 2014, the change was a \$507,495 decrease to the liability and an equal offsetting decrease to the deferred outflow of resources. Swaps E and F are not cash flow hedges, but rather are considered investment swaps, and changes in their fair value are recorded as investment gain (loss). The fair value change for swaps E and F as of June 30, 2015 was recorded to unrealized gains in the amount of \$209,643. As of June 30, 2014, the fair value change for swaps E and F was recorded to unrealized losses in the amount of \$244,894.

(B) Clinical Operations

On June 9, 2004, the Regents adopted a Parameters Resolution authorizing the construction of the Children's Hospital and Critical Care Pavilion (CHCCP) and issuing bonds insured by HUD was approved. On October 14, 2004, the Regents adopted Resolutions authorizing the amendment of the Lease to accommodate the requirements of HUD and to authorize execution of the HUD documents. On October 14, 2004, UNM Board of Regents issued FHA insured Hospital Mortgage Revenue Bonds (University of New Mexico Hospital Project), Series 2004 in the aggregate principal amount of \$192,250,000. Interest on the bonds ranged from 2% to 5% and was paid semi-annually on each January 1 and July 1, commencing January 1, 2005. The Series 2004 bonds were issued for the purpose of financing the construction, equipping, and furnishing of the CHCCP, which provides care to patients requiring trauma, children's and women's services, funding the Debt Service Reserve Fund, and paying costs of issuance associated with the bonds.

In conjunction with this construction project, HUD, under Section 242 CFDA No. 14.128, issued a loan guarantee for the mortgage amount of \$183,399,000.

On August 12, 2008 the Regents adopted Resolutions authorizing the Final Endorsement of the HUD Insurance.

On December 12, 2014, the Regents adopted a Parameters Resolution authorizing the issuance of the GNMA-Backed, HUD-Insured Mortgage Bonds to redeem and refinance the remaining 2004 bonds. On May 7, 2015, the Regents adopted Resolutions authorizing the execution of amended FHA Documents and Loan Modification Documents in connection with the redemption and refinancing of the remaining 2004 bonds.

On May 14, 2015, the Hospital issued \$115,000,000 in new bonds (2015 Series bonds) to refinance the remaining 2004 bonds. The bonds were issued pursuant to a Trust Indenture, dated as of May 1, 2015, by and between the Regents on behalf of the Hospital and Wells Fargo Bank, National Association, as Trustee for the purpose of refinancing the CHCCP.

The Regents granted the Bond Trustee in respect of the UNMH HUD-Insured Bonds a security interest in all of UNM Hospital's cash (with the exception of the proceeds of the UNM Hospital mil levy and state appropriations), accounts receivable, contract rights, and the proceeds of the same. In addition, in that certain Regulatory Agreement signed by the Regents in 2004, that is still in effect today, the University agreed and committed to HUD that it would not "assign, transfer, dispose of, or encumber any personal property of the project including revenues from any source..." As a result, of the \$579,612,359 in cash and short term investments held by the Primary Institution as of June 30, 2015, \$353,405,409 is cash reserves of UNM Hospital subject to the security interest granted by the Regents to the Bond Trustee and to the restrictions in the Regulatory Agreement.

The 2015 Series bonds carry interest rates that range from 0.484% to 3.532%. The Hospital refunded the 2004 Series bonds to reduce its total debt service payments over the next seventeen years by approximately \$56.7 million and to obtain an economic gain of \$15.9 million. The 2015 Series bonds were issued as special limited obligations of the Hospital and are secured primarily by fully modified mortgage backed securities in the aggregate principal amount of \$115,000,000 (GNMA Securities), issued by Prudential Huntoon Paige Associates, Ltd. (Lender), guaranteed as to principal and interest by the Government National Mortgage Association (GNMA), with respect to the Mortgage Note.

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Under the GNMA Mortgage Backed Securities Program, the GNMA securities are “fully modified pass-through” mortgage-backed security issued and serviced by the Lender. The face amount of the GNMA securities is to be the same amount as the outstanding principal balance of the Mortgage Note. The Lender is required to pass through to the Trustee, as the holder of the GNMA securities, by the 15th day of each month, the monthly scheduled installments of principal and interest on the Mortgage Note (less the GNMA guarantee fee and the Lender’s servicing fee), whether or not the Lender receives such payment from the Hospital under the Mortgage Note, plus any unscheduled prepayments of principal of the Mortgage Note received by the Lender. The GNMA securities are issued solely for the benefit of the Trustee on behalf of the bondholders, and any and all payments received with respect to the GNMA securities are solely for the benefit of the bondholders.

Issuance costs associated with the 2015 Series bonds were recorded as an expense in fiscal year 2015 and were paid from operating funds. Interest expense associated with the bonds payable was approximately \$6,868,000 and \$7,567,000, net of amortization of bond premium totaling approximately \$925,000 and \$305,000 for the years ended June 30, 2015 and 2014, respectively. Interest income earned from the investment of the bond proceeds was approximately \$683,000 and \$796,000 for the years ended June 30, 2015 and 2014, respectively.

At June 30, 2015 and 2014, bonds payable for the Clinical Operations consisted of the following:

	<u>2015</u>	<u>2014</u>
FHA Insured Hospital Mortgage Revenue Bonds Series 2015 with interest ranging from 0.484% to 3.532% – final maturity 2032	\$ 115,000,000	\$ -
FHA Insured Hospital Mortgage Revenue Bonds Series 2004 with interest ranging from 2.00% to 5.00% – final maturity 2031	-	159,420,000
	<u>\$ 115,000,000</u>	<u>\$ 159,420,000</u>
Add: Bond premiums	-	925,166
Less: Current portion of bonds payable	<u>(6,035,000)</u>	<u>(5,495,000)</u>
Noncurrent bonds payable	<u>\$ 108,965,000</u>	<u>\$ 154,850,166</u>

Future debt service for the Clinical Operations as of June 30, 2015 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
2016	\$ 6,035,000	\$ 3,521,307	\$ 9,556,307
2017	5,540,000	3,171,979	8,711,979
2018	5,605,000	3,120,623	8,725,623
2019	5,700,000	3,040,023	8,740,023
2020	5,815,000	2,937,537	8,752,537
2021–2025	31,510,000	12,487,340	43,997,340
2026–2030	37,645,000	6,788,062	44,433,062
2031–2035	17,150,000	764,237	17,914,237
	<u>\$ 115,000,000</u>	<u>\$ 35,831,108</u>	<u>\$ 150,831,108</u>

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(C) Primary Institution

At June 30, 2015 and 2014, bonds payable for the primary institution consisted of the following:

	2015			2014		
	Current	Noncurrent	Total	Current	Noncurrent	Total
University	\$ 14,420,532	\$ 377,915,750	\$ 392,336,282	\$ 14,352,934	\$ 390,419,214	\$ 404,772,148
Clinical Operations	6,035,000	108,965,000	115,000,000	5,495,000	154,850,166	160,345,166
Total	<u>\$ 20,455,532</u>	<u>\$ 486,880,750</u>	<u>\$ 507,336,282</u>	<u>\$ 19,847,934</u>	<u>\$ 545,269,380</u>	<u>\$ 565,117,314</u>

(D) Component Units

The bonds, issued by SRMC, are guaranteed by an FHA commitment for mortgage insurance on September 17, 2010 under the HUD 242 program. Additionally, SRMC is entitled to an interest expense subsidy from the U.S. Treasury equal to 35% on Build America Bonds (Series 2010A) and a 45% subsidy on Recovery Zone Economic Development Bonds (Series 2010 B). This lowers the all in true cost after the subsidy to 3.33%. The bond subsidy payments are recognized as nonoperating revenues.

Additionally, in fiscal year 2011, the Regents of UNM made an equity contribution of \$46 million to SRMC as part of the requirements of the FHA guarantee. These funds are to sustain the reopening operational costs and working capital needs of SRMC. The terms of the Bonds issued are as follows:

	2015	2014
Taxable Revenue Build America Bonds	\$ 122,140,000	\$ 133,425,000
Series 2010A with fixed-interest rate of 4.5% – final maturity 2036		
Taxable Revenue Recovery Zone Economic Development Bonds	9,740,000	10,000,000
Series 2010A with fixed-interest rate of 5.0% – final maturity 2037		
	<u>\$ 131,880,000</u>	<u>\$ 143,425,000</u>

Future debt service for SRMC as of June 30, 2015 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
2016	\$ 3,380,000	\$ 5,945,725	\$ 9,325,725
2017	3,540,000	5,791,938	9,331,938
2018	3,715,000	5,630,612	9,345,612
2019	3,890,000	5,461,525	9,351,525
2020	4,075,000	5,284,338	9,359,338
2021–2025	23,520,000	23,452,475	46,972,475
2026–2030	29,740,000	17,558,150	47,298,150
2031–2035	37,615,000	10,103,675	47,718,675
2036–2038	22,405,000	1,644,550	24,049,550
	<u>\$ 131,880,000</u>	<u>\$ 80,872,988</u>	<u>\$ 212,752,988</u>

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(13) Patient Service and Clinical Operations Revenues

A summary of other patient-related services revenues is as follows for the years ended June 30:

Primary Institution	2015	2014
University Clinicians Program (UCP)	\$ 70,757,267	\$ 59,386,786
HSC capital initiatives	128,981,761	26,000,000
Other	64,897,750	59,209,480
Other patient-related services revenues	<u>\$ 264,636,778</u>	<u>\$ 144,596,266</u>

Below is a summary of the Clinical Operations revenues:

Clinical Operations	2015	2014
Operating revenues		
Net patient service revenues	\$ 911,755,348	\$ 709,437,864
Other operating revenues	26,406,169	22,152,703
Operating revenues before eliminations	\$ 938,161,517	\$ 731,590,567
Less: Intercompany transactions eliminated	(301,357,853)	(175,964,456)
Operating revenues	<u>\$ 636,803,664</u>	<u>\$ 555,626,111</u>
Nonoperating revenues (expenses)		
Bernalillo County mill levy	\$ 93,249,305	\$ 92,020,266
State appropriations	13,116,900	12,520,200
Capital appropriation	-	30,000
Investment income	15,776,284	41,060,298
Bequests and contributions	2,577,861	2,755,154
Equity in earnings of TriCore and TriCore Lab Service Corp	339,947	(372,177)
Land grant permanent fund earnings	820,156	877,738
Interest on capital asset-related debt	(6,867,704)	(7,566,691)
Other nonoperating expenses	(2,985,740)	(1,644,977)
Net nonoperating revenues	<u>\$ 116,027,009</u>	<u>\$ 139,679,811</u>

Below is a summary of net patient service revenues of the component units:

Component Units	2015	2014
Net patient service revenues	<u>\$ 246,692,538</u>	<u>\$ 202,787,626</u>

The Hospital is reimbursed by the Medicare and Medicaid programs on a prospective payment basis for hospital services, with certain items reimbursed at an interim rate with final settlement determined after submission of annual cost reports by the Hospital. The annual cost reports are subject to audit by the Medicare Administrative Contractor and the Medicaid audit agent. Cost reports through 2011 have been final settled for the Medicaid programs. Cost reports through 2010, except for 2005, have been final settled for the Medicare program. Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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(14) Leases

At June 30, 2015 and 2014, the University and the Clinical Operations had various lease arrangements summarized as follows:

(A) University and Clinical Operations as Lessees

(a) Capital Leases

Any existing capital leases are immaterial, and accordingly, there are no capital leases recorded at June 30, 2015 and 2014.

(b) Operating Leases

The University's rent expense for operating leases amounted to \$6,297,517 and \$7,023,440 for the years ended June 30, 2015 and 2014, respectively.

The Clinical Operations are committed under various leases for building and office space and data processing equipment. Rental expenses on operating leases and other non-lease equipment were \$10,580,000 and \$10,466,000 in 2015 and 2014, respectively, and includes amounts paid to the University of \$3,524,187 and \$3,862,178 in 2015 and 2014, respectively, which are eliminated in these basic financial statements.

(c) Minimum Lease Payments

The following is a schedule of future minimum lease payments for Primary Institution operating leases at June 30, 2015:

Year ending June 30	Lease Payments
2016	\$ 7,472,606
2017	6,657,942
2018	6,038,386
2019	5,596,403
2020	4,030,640
2021–2025	9,724,647
2026–2030	6,079,669
2031–2035	4,148,482
2036–2040	702,909
2041	1,031
	<u>\$50,452,715</u>

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(B) *University as Lessor*

The University is lessor of various properties under operating lease agreements. For the years ended June 30, 2015 and 2014, respectively, total lease income, which includes annually renewable lease agreements, was \$7,061,378 and \$7,458,147.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2015:

Year ending June 30	Lease Income
2016	\$ 6,409,155
2017	4,704,253
2018	3,654,926
2019	3,607,147
2020	3,603,176
2021–2025	904,149
2026–2030	343,444
2031–2035	343,404
2036–2040	1,109,082
2041 and thereafter	617,769
	<u>\$25,296,505</u>

(15) **Risk Management**

The University currently is a party to various litigation claims brought in the ordinary course of business. The University participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, medical malpractice, physical damage, and workers' compensation insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by the University from its operating budget either by direct payment or by the procurement of insurance coverage from a private carrier. The University paid Risk Management \$22,716,849 and \$16,698,691 in insurance premiums during fiscal years 2015 and 2014, respectively. The University's exposure is limited to \$2,500 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible. After conferring with legal counsel concerning pending litigation and claims, the University administration believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the University. Effective July 1, 2014, the University determined to self-insure the case of Maria Cummings, et al. vs. Board of Regents.

As a part of the University, the Hospital has immunity from tort liability except as waived by the New Mexico legislature. In this connection, under the New Mexico Tort Claims Act (NMTCA), the New Mexico Legislature waived the State's and the Hospital's sovereign immunity for claims arising out of negligence out of the operation of the Hospital, the treatment of the Hospital's patients, and the healthcare services provided by Hospital employees. In addition, the NMTCA limits, as an integral part of this waiver of sovereign immunity, the amount of damages that can be assessed against the Hospital on any tort claim including medical malpractice, professional, or general liability claims.

The NMTCA provides that total liability for all claims that arise out of a single occurrence shall not exceed \$750,000 set forth as follows: (a) \$200,000 for real property; (b) up to \$300,000 for past and future medical and medically related expenses for one claimant or \$350,000 for multiple claimants one occurrence; and (c) up to \$400,000 for past and future noneconomic losses (such as pain and suffering) incurred or to be incurred by the claimant. The language of the NMTCA does not provide for claims of loss of consortium; however, New Mexico appellate court decisions have allowed claimants to seek consortium. Risk Management Division of the State of New Mexico General Services Department (State RMD) and UNM contend that these damages are contained within the \$750,000 cap. Nonetheless, the policy limits are \$1,050,000 and often loss of consortium claims are paid up to policy limits and above the tort claim cap. The NMTCA prohibits the award of punitive or exemplary damages against the Hospital. The NMTCA requires the State RMD to provide coverage to the Hospital for those torts where the Legislature has waived the State's sovereign immunity up to the damages limits of the NMTCA plus the cost incurred in defending any claims and/or lawsuits

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(including attorney's fees and expenses), with no deductible and with no self-insured retention by the Hospital. As a result of the foregoing, the Hospital is fully covered for claims and/or lawsuits relating to medical malpractice or professional liability occurring at the Hospital.

Effective July 1, 2009, the University began self-insuring its health and dental benefits. Under the plans, all eligible employees are provided access to the provider networks of Blue Cross Blue Shield, Presbyterian Health Plan, and UNM Health Plan for health services and Delta Dental for dental services. Blue Cross Blue Shield of New Mexico, Presbyterian Health Plan, and UNM Health provide administrative claim payment services for the University's health plans and Delta Dental for the dental plan. Liabilities are based on an estimate of claims that have been incurred but not reported (IBNR), invoices received but not yet paid, and catastrophic claims not covered by the University's excess claims carriers. At June 30, 2015 and 2014, the estimated amount of the University's claims and accrued invoices was \$18.8 million and \$22.6 million, respectively, which is included in accrued payroll. The liability for claims incurred but not reported was based on the actuarial analysis calculated using information provided by Healthcare Analytics.

Changes in the reported self-insurance liability for health, dental, and life benefits for the University resulted from the following:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2015	\$22,555,358	\$66,866,336	\$(70,578,713)	\$18,842,981
2014	20,626,007	67,960,786	(66,031,435)	22,555,358

The Hospital sponsors a self-insured health plan in which UNM Behavioral Health Operations also participate, as all employees are under the centralized umbrella of the Hospital. Blue Cross Blue Shield of New Mexico and HMO New Mexico (BCBSNM and HMONM) provide administrative claim payment services for the Hospital's plan. Liabilities are based on an estimate of claims that have been incurred but not reported and invoices received but not yet paid. At June 30, 2015 and 2014, the estimated amount of the Hospital's claims and accrued invoices was \$3.6 million and \$4.0 million, respectively, which is included in accrued payroll. As the Hospital receives all cash and pays all obligations of UNM Behavioral Health Operations, the estimated amount of the UNM Behavioral Health Operations' IBNR and accrued invoices recorded in the Hospital's accrued payroll was approximately \$314,000 and \$346,000 at June 30, 2015 and 2014, respectively. The liability for IBNR was based on actuarial analysis calculated using information provided by BCBSNM.

Changes in the reported self-insurance liability for health, dental, and life benefits for Clinical Operations resulted from the following:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2015	\$ 4,241,555	\$ 37,039,342	\$ (37,360,354)	\$3,920,543
2014	3,494,795	37,021,605	(36,274,845)	4,241,555

(16) Retirement Plans and Postemployment Benefits

(A) University

General Information about the Pension Plan

Plan Description: ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational

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programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico Legislature has the authority to set or amend contribution rates. Substantially all of the University's full-time employees and a small portion (approximately 42) of the Clinical Operations' (University of New Mexico Hospital and University of New Mexico Behavioral Health Operations) full-time employees participate in the Plan.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits Provided: A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions: The contribution requirements of plan members and the University are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year

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ended June 30, 2014, employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For the fiscal year ended June 30, 2015, employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. The University's contributions to ERB for the fiscal years ended June 30, 2015, 2014, and 2013 were \$64,475,614, \$55,181,427, and \$44,136,383, respectively, which equal the amount of the required contributions for each fiscal year. The Clinical Operations' contributions to ERB for the fiscal years ended June 30, 2015, 2014, and 2013 were \$355,000, \$391,000, and \$366,000, respectively, which equal the amount of the required contributions for each fiscal year.

Alternative Retirement Plan

Certain eligible employees of the University may choose to participate in the Alternative Retirement Plan (ARP), a defined-contribution plan, in lieu of the ERB defined benefit plan. ARP is administered by the ERB.

The benefit received upon retirement is based on the amount contributed to the annuity carrier during the participant's career, subject to any investment gains or losses. Each participant contributes to the ARP the same amount which the participant would be required to contribute to ERB if the participant were a member of that retirement system. The University contributes the same amount which it would be required to contribute to ERB if the participant were a member of that retirement system, with an amount equal to 3% of gross annual salary being remitted to ERB to offset the impact of the ARP on the defined benefit plan, and the remainder being remitted to the annuity carrier on behalf of the participant. Employees participating in ARP do not accrue rights to benefits in the ERB defined benefit plan as a result of the 3% contribution being made to the ERB fund.

Employees are 100% vested in both the employee and employer contributions upon enrollment in the ARP program, less the 3% contribution that is remitted to ERB. Employees can make an annual election to switch ARP providers. After seven years of participation in the ARP plan, employees can make a onetime switch to the ERB defined benefit plan. ARP participants can apply for a distribution of their ARP contributions upon separation from the University.

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

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ended June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2014. At June 30, 2015, the University and Clinical Operations reported liabilities of \$931,629,101 and \$6,125,664, respectively, for their proportionate shares of the net pension liability. The proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the University's proportion was 16.32795 percent, which was an increase of 0.33415 percent from its proportion measured as of June 30, 2013. At June 30, 2014, the Clinical Operations' proportion was 0.10736 percent, which was a decrease of 0.01421 percent from its proportion measured as of June 30, 2013.

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For the year ended June 30, 2015, the University and Clinical Operations recognized pension expense of \$5,427,776 and \$194,215, respectively. At June 30, 2015, the University and Clinical Operations reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Clinical			Clinical		
	University	Operations	Total	University	Operations	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 13,878,021	\$ 91,254	\$ 13,969,275
Net difference between projected and actual earnings on pension plan investments	-	-	-	84,689,380	556,868	85,246,248
Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions	15,568,397	-	15,568,397	-	662,068	662,068
University and Clinical Operations contributions subsequent to the measurement date	64,475,614	357,206	64,832,820	-	-	-
Total	\$ 80,044,011	\$ 357,206	\$ 80,401,217	\$ 98,567,401	\$ 1,310,190	\$ 99,877,591

The \$64,832,820 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2014 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending	Clinical		
	University	Operations	Total
June 30			
2016	\$ 20,585,409	\$ 400,787	\$ 20,986,196
2017	20,585,409	400,787	20,986,196
2018	20,655,841	369,398	21,025,239
2019	21,172,345	139,218	21,311,563
Total	\$ 82,999,004	\$ 1,310,190	\$ 84,309,194

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

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ended June 30, 2014 and 10.7% thereafter.
2. 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.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ended June 30, 2012.

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

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

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
University's proportionate share of the net pension liability	\$ 1,267,588,506	\$ 931,629,101	\$ 651,011,493
Clinical Operations' proportionate share of the net pension liability	8,334,674	6,125,664	4,280,674
Total	\$ 1,275,923,180	\$ 937,754,765	\$ 655,292,167

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

(B) Clinical Operations

The Clinical Operations have a defined contribution plan covering eligible employees, which provides retirement benefits. The name of the plan is UNM Hospital Tax Sheltered Annuity Plan, formerly known as the University of New Mexico Hospital/Bernalillo Medical Center Tax Sheltered Annuity Plan. The Clinical Operations contribute either 5.5% or 7.5% of an employee's salary to the plan, depending on employment level. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The plan is administered by the Hospital's Human Resources Department.

The expense for the defined contribution plan was \$13,524,000 and \$13,722,000 in fiscal years 2015 and 2014, respectively. Total employee contributions under this plan were \$14,708,000 and \$13,602,000 in fiscal years 2015 and 2014, respectively. In 2012, a Roth 403b defined contribution plan option was added. Total employee contributions were \$900,000 and \$651,000 in fiscal years 2015 and 2014, respectively.

The Clinical Operations also have a deferred compensation plan, called the UNM Hospital 457(b) Deferred Compensation Plan, which provides employees with an additional retirement savings plan. The Clinical Operations do not contribute to this plan. Employees can make voluntary contributions to this plan. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The plan is administered by the Hospital's Human Resources Department.

There was no expense for the deferred compensation plan in 2015 and 2014, respectively, as the Clinical Operations do not contribute to this plan. Total employee contributions under this plan were \$2,661,000 and \$2,672,000 in fiscal years 2015 and 2014, respectively.

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In addition, the Clinical Operations have a 401(a) defined contribution plan, called the UNM Hospital 401(a) Plan, which was established for the purpose of providing retirement benefits for eligible participants and their beneficiaries. The 401(a) plan allows for tax-deferred employer contributions in set amounts determined by position grade. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. All assets of the plan are held in a trust fund, are not considered Clinical Operations assets, and are under the direction of a Plan Administrator.

The expense for the 401(a) defined-contribution plan was \$464,000 and \$371,000 in fiscal years 2015 and 2014, respectively. Only the Clinical Operations contribute to this plan.

A small portion (approximately 42) of the Clinical Operations' full-time employees participates in the ERB defined benefit plan authorized under the Educational Retirement Act as described above.

(17) Other Postemployment Benefits

(A) University

Plan Description: The University offers health, dental, and life insurance coverage to employees and their eligible dependents. However, employees hired after June 30, 2015 will not be eligible for other postemployment benefits other than basic life insurance. The authority to establish and amend the benefit provisions and contribution requirements rests with the Board of Regents.

In order for a retiree of the University to be eligible for other postemployment benefits other than basic life insurance, the employee must have been hired prior to July 1, 2015 and contribute to a Voluntary Employees' Beneficiary Association (VEBA) Trust for at least five continuous years immediately prior to retirement. If hired prior to July 1, 2013 and retiring prior to July 1, 2018, employees must continually contribute to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. The University matches the employees' contributions to the VEBA Trust. Contribution percentages are as follows:

VEBA Trust contribution as a % of payroll			
	Employee	UNM	Total
FY 2014	0.50%	0.50%	1.00%
FY 2015	0.75%	0.75%	1.50%
FY 2016	0.75%	0.75%	1.50%
FY 2017 and after	1.00%	1.00%	2.00%

Eligible retirees of the University receive healthcare coverage through a self-insured medical plan, including prescription drugs, available through UNM Health, Presbyterian Health Plan, BCBS of New Mexico, and Express Scripts. Eligible Medicare retirees (for retirees 65 years of age and over) receive healthcare coverage through one of five fully insured medical/prescription plans: Lovelace Enhanced, Lovelace Standard, Presbyterian PPO UNM Select, Presbyterian PPO UNM Premier, and UHC AARP Indemnity. Eligible retirees are also offered two self-funded dental plans. Basic life insurance benefits are available to retirees of the University without the requirement to opt in to the VEBA Trust.

For the University, at the valuation date of July 1, 2014, there were a total of 2,944 retirees and 6,607 active participants.

Funding Policy: The contribution requirements of plan members are established and may be amended by the Board of Regents. Retiree contributions for medical and dental are required for both retiree and dependent coverage. Retirees are required to pay the full premiums less a subsidy provided by the University. Retirees are required to contribute a percentage of the premium based on their preretirement annual salary.

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits through the VEBA Trust. For fiscal year 2015, the pay-as-you-go expense of the University was \$6,099,600, net of retiree contributions, and total contributions to the VEBA Trust were \$6,208,000.

Funded Status and Funding Progress: As of July 1, 2014, the most recent actuarial valuation date, the plan was 3.3% funded. The University's AAL, the present value of all future expected postretirement health payments and administrative costs attributable to past service, was \$119,240,800, and the actuarial value of assets was \$3,903,900,

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resulting in an UAAL of \$115,336,900. The covered payroll (annual payroll of active employees covered by the plan) was \$509,475,300, and the ratio of the UAAL to the covered payroll was 22.6%.

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, the healthcare cost trend, and the discount rate. Amounts determined regarding the funded status of the plans 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 employer contributions (Schedule 2), presented as required supplemental 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 AALs for benefits.

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 (AALs) and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 6.7% annual discount rate, which is a blended rate of the University's 4.5% general rate of return for unfunded assets and the University's 8% fully funded rate of return. The actuarial valuation assumes an annual healthcare cost trend rate for pre-Medicare medical and prescription drug benefits of 7% initially, reduced by decrements to a rate of 5% after eight years. For post-Medicare medical and prescription drug benefits, the annual healthcare cost trend rate was 9% initially, reduced by decrements to a rate of 5% after nine years. For dental benefits, the annual healthcare cost trend rate was 5%. These rates included a 3% inflation assumption. The unfunded actuarial accrued liability (UAAL) is amortized over the maximum acceptable period of 30 years and is calculated assuming an open, level percentage of projected payroll. Payroll is projected to increase 2% per annum.

(B) Clinical Operations

Plan Description: The UNM Hospital and UNM Behavioral Health Operations employees and retirees participate under a benefit plan administered by the Hospital. The Hospital administers a single employer defined benefit postemployment benefit plan that offers postemployment healthcare coverage to eligible retirees and their dependents. Eligible retired employees are offered combined medical/prescription drug benefits through the Hospital's self-insured health plan administered by BCBSNM. Eligible retired employees are also offered dental insurance through the Hospital's self-insured dental plan insurance. The authority to establish and amend benefit provisions to the benefit policy is recommended by the Human Resource Administrator and approved by the Chief Executive Officer.

Employees are eligible to retire from the Clinical Operations and receive these postemployment benefits when:

- The employee reaches the minimum age of 50
- The employee has at least five years of continuous employment; and
- The employee has a combined age plus year of service sum of at least 70 (hire date prior to July 1, 2009), 75 (hire date after July 1, 2009), and 80 (hire date after July 1, 2011).

For the Clinical Operations, at the date of valuation of July 1, 2014, there were a total of 10 retirees receiving benefits, 646 active employees fully eligible to receive benefits, and 5,429 active employees currently not fully eligible to receive benefits.

Funding Policy: The contribution requirements of the plan members and the Clinical Operations are established and may be amended by recommendation of the Human Resource Administrator and approval by the Chief Executive Officer. The retired employees that elect to participate in the postemployment benefit plan are required to make contributions in the form of monthly premiums based on current rates established under the health and dental plans. For the medical and dental plans, there are both implicit and explicit subsidies provided by the Clinical Operations. The explicit subsidy is for employees that retire with sick and annual leave (compensated absence) accruals. The Clinical Operations subsidizes for the retiree only, the current "employee only" premium amount for the health and dental plans

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for the period of the length of leave (compensated absence) accrual. The implicit subsidy arises because the retiree pays a contribution that is based on a combined active and retiree claim experience. If the retirees were to pay based solely on retiree claim experience, they would be paying a higher amount as typically retirees incur higher claims. This “discount” is called the implicit subsidy.

The Clinical Operations do not use a trust fund to administer the financing and payment of benefits. Instead, the Clinical Operations fund the plan on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by the retiree contribution. Expected monthly claim costs were developed from a combination of historical claim experience and manual claim cost developed using a representative database. Nonclaim expenses are based on the current amounts charged to employees. The Clinical Operations’ pay-as-you-go expense for the period of July 1, 2014 to June 30, 2015 is approximately \$49,000. The pay-as-you-go expense includes the medical and dental claims, administration expenses, and implicit subsidy and is net of any retiree contributions.

Funded Status and Funding Progress: As of July 1, 2014, the most recent actuarial valuation date, the Clinical Operations’ plan was not funded. The plan’s AAL was \$3,783,560, and the actuarial value of assets was \$0, resulting in an UAAL of the full \$3,783,560 or a funded ratio of 0%. The covered payroll was \$263,517,235, and the ratio of the UAAL to the covered payroll was 1.4%.

The projection of future benefit payments for an ongoing plan involves 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, current and future retirees and their dependents, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plans 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 employer contributions (Schedule 2), presented as required supplemental information following the notes to the financial statements, presents information about the actuarial value of plan assets relative to the AALs for benefits.

Actuarial Methods and Assumptions: Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities (AALs) and the actuarial value of assets. The actuarial method used is the Unit Credit method, as the Unit Credit method provides a logical correlation between accruing and expensing of retirees’ benefits.

A 4% annual discount rate was used assuming the Clinical Operations will fund the postemployment benefit on a pay-as-you-go basis. For an unfunded plan, the investment return assumption is based on the expected return on employer assets that generally consist of short-term liquid investments.

The July 1, 2014 actuarial valuation considers an annual healthcare cost trend on a select (8%) and ultimate (4.5%) basis. Select rates are reduced 0.5% each year until reaching the ultimate trend. The unfunded AAL is amortized over the maximum acceptable period of 30 years. It is calculated assuming a level percentage of projected payroll, with a 1.5% per annum salary increase.

Annual retirement probabilities and the rate of withdrawal for reasons other than death and retirement have been determined based on the ERB Actuarial Valuation as of June 30, 2014. It is assumed that 30% of future pre-retirees participate in the Hospital’s postretirement health plan and that none continue coverage once attaining Medicare eligibility.

(C) Annual OPEB Cost and Net OPEB Obligation

The Primary Institution’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 thirty years.

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The following table shows the components of the University's and Clinical Operations' annual OPEB costs for the year, the amounts actually contributed to the plans, and changes in the University's and Clinical Operations' net OPEB obligations:

	<u>University</u>	<u>Clinical Operations</u>	<u>Total</u>
Annual required contribution	\$ 11,712,000	\$ 581,000	\$ 12,293,000
Interest on net OPEB obligation	1,784,600	253,000	2,037,600
Adjustment to annual required contribution	(1,689,200)	(293,000)	(1,982,200)
Annual OPEB cost (expense)	11,807,400	541,000	12,348,400
Contributions made	16,590,300	49,000	16,639,300
Increase (decrease) in net OPEB obligation	(4,782,900)	492,000	(4,290,900)
Net OPEB obligation beginning of year	26,636,000	6,319,183	32,955,183
Net OPEB obligation end of year	<u>\$ 21,853,100</u>	<u>\$ 6,811,183</u>	<u>\$ 28,664,283</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the OPEB obligation for fiscal year 2015 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
University			
6/30/2015	\$ 11,807,400	140.5%	\$ 21,853,100
6/30/2014	10,029,000	87.5%	26,636,000
6/30/2013	9,383,000	99.9%	25,386,000
Clinical Operations			
6/30/2015	\$ 541,000	9.1%	\$ 6,811,183
6/30/2014	584,000	9.8%	6,319,183
6/30/2013	583,000	18.9%	5,792,183
Total Primary Institution			
6/30/2015	\$ 12,348,400	134.7%	\$ 28,664,283
6/30/2014	10,613,000	83.3%	32,955,183
6/30/2013	9,966,000	95.2%	31,178,183

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(18) Commitments and Contingencies

(A) Commitments

In addition to the lease commitments in note 14, the University had commitments totaling \$47,620,604 at June 30, 2015. These commitments consisted of the following:

	<u>2015</u>
Materials and services	\$ 34,114,441
Construction projects	<u>13,506,163</u>
Total	<u>\$ 47,620,604</u>

(B) Contingencies

The University is liable or contingently liable in connection with certain claims that arise in the normal course of its activities. It is the opinion of management that uninsured losses resulting from these claims would not be material to the University's financial position or operations.

The University receives grants and other forms of reimbursement from various federal and state agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. University administration believes that the liability, if any, for reimbursement that may arise as the results of audits, would not be material to the financial position or operations of the University.

(C) Mortgage Reserve Fund

On November 15, 2004, the Hospital established a mortgage reserve fund in accordance with the requirements and conditions of the FHA Regulatory Agreement. On May 13, 2015, a new mortgage reserve fund was established for the 2015 series bonds. Future Mortgage Reserve Fund contributions are summarized as follows:

	<u>Annual Contribution</u>
2016	1,910,199
2017	<u>1,910,199</u>
	<u>\$ 3,820,398</u>

Fiscal year 2017 is scheduled to be the final year of required contributions, at which time the mortgage reserve fund will be fully funded.

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(19) Unrestricted Net Position – Committed and Dedicated

Unrestricted net position is subject to contractual commitments and dedications to support the missions of the University in current and future years. The net position of unrestricted funds of the Primary Institution fall into one of three categories:

- **Committed:** A formal, written commitment/contract has been made for these funds. Examples include signed employment offer letters to Deans, Department Chairs, and Research Faculty, start-up funds for new research projects, cost share on awarded sponsored agreements, and appropriated state funding for special projects.
- **Dedicated:** An Executive Vice President, Vice President, Dean, or Department Chair has dedicated these funds for a clear, focused purpose to support the missions of the University.
- **Discretionary:** The remaining funds that are not committed or dedicated.

The following is a breakdown of the University's unrestricted net position as of June 30 (unaudited):

	<u>2015</u>	<u>2014</u>
Unrestricted net position	\$ (235,837,853)	\$ 574,809,119
Less:		
Working capital – patient care operations		
Clinical operations – UNM Hospitals	<u>173,820,081</u>	<u>168,830,009</u>
Total working capital – patient care operations	173,820,081	168,830,009
Net pension and OPEB obligations		
Pension	(950,152,491)	-
Other postemployment benefits	<u>(21,853,100)</u>	<u>(26,636,000)</u>
Total net pension and OPEB obligations	(972,005,591)	(26,636,000)
Committed		
HSC capital initiatives	221,925,844	98,250,189
Other	<u>43,272,879</u>	<u>51,704,404</u>
Total committed	265,198,723	149,954,593
Dedicated		
Plant funds – repair and replacement	75,101,314	69,068,600
Quasi-endowment funds – Regents' scholarships	100,916,041	106,567,758
Student loan funds	750,972	728,685
Other	<u>68,482,004</u>	<u>65,295,029</u>
Total dedicated	245,250,331	241,660,072
Ending discretionary funds balance	<u><u>\$ 51,898,603</u></u>	<u><u>\$ 41,000,445</u></u>

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(20) Capital Initiatives

In fiscal year 2015, the Hospital and the UNM HSC entered into an MOU for a ninth year to collaborate on strategic capital projects. Per the agreement, funding is set aside and committed for the development of clinical facilities. Capital project disbursements from capital initiatives funds in fiscal years 2015 and 2014 and the ending balances for each year are reflected in the table below.

As of June 30, 2015, the ending balance of \$221,925,844 is comprised of \$171,425,844 in cash with a due from UNM Hospital for the remainder. As of June 30, 2014, the ending balance of \$98,250,189 was comprised of \$88,250,189 in cash with a due from UNM Hospital for the remainder.

The Regents granted the Bond Trustee in respect of the UNMH HUD-Insured Bonds a security interest in all of UNM Hospital's cash (with the exception of the proceeds of the UNM Hospital mil levy and state appropriations), accounts receivable, contract rights, and the proceeds of the same. In addition, in that certain Regulatory Agreement signed by the Regents in 2004, that is still in effect today, the University agreed and committed to HUD that it would not "assign, transfer, dispose of, or encumber any personal property of the project including revenues from any source..." Lastly, in accordance with the terms of the Lease under which the University leases a portion of the UNM Hospital facility from Bernalillo County, all reserves of the UNM Hospital covered by the Lease are restricted to use for operation and maintenance of the UNM Hospital.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Contributions to Fund</u>	<u>Capital Project Disbursements from Fund</u>	<u>Ending Balance</u>
2015	\$ 98,250,189	\$ 128,981,761	\$ (5,306,106)	\$ 221,925,844
2014	75,013,413	26,000,000	(2,763,224)	98,250,189

REQUIRED SUPPLEMENTAL INFORMATION – PENSION

Schedule of Proportionate Share of Net Pension Liability and Employer Contributions

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

Schedule of Proportionate Share of Net Pension Liability - ERB Plan

	<u>2015</u>
University's and Clinical Operations' proportion of the net pension liability (asset)	16.43531%
University's and Clinical Operations' proportionate share of the net pension liability (asset)	\$ 937,754,765
University's and Clinical Operations' covered-employee payroll	\$ 544,803,529
University's and Clinical Operations' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	172.13%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

Schedule of Employer Contributions - ERB Plan

	<u>2015</u>
Statutorily required employer contribution	\$ 64,832,820
Contributions in relation to the statutorily required contribution	\$ 64,832,820
Contribution deficiency (excess)	<u>\$ -</u>
University's and Clinical Operations' covered-employee payroll	\$ 567,316,571
Contributions as a percentage of covered-employee payroll	11.43%

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 *General Information on the Pension Plan*.

Changes of Assumptions

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

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

See also the *Actuarial Assumptions* subsection of the financial statement note disclosure *General Information on the Pension Plan*.

REQUIRED SUPPLEMENTAL INFORMATION – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Schedule of Funding Progress and Employer Contributions

The schedule of funding progress and the schedule of employer contributions present multiyear trend information for the past three actuarial valuations comparing the actuarial value of plan assets to the actuarial accrued liability, and the actual contributions of UNM to the annual required contributions.

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
University						
7/1/2014	\$ 3,903,900	\$ 119,240,800	\$ 115,336,900	3.3%	\$ 509,475,300	22.6%
7/1/2013	\$ -	\$ 94,680,000	\$ 94,680,000	0.0%	\$ 539,654,500	17.5%
7/1/2012	\$ -	\$ 94,156,000	\$ 94,156,000	0.0%	\$ 525,889,400	17.9%
Clinical Operations						
7/1/2014	\$ -	\$ 3,783,560	\$ 3,783,560	0.0%	\$ 263,517,235	1.4%
7/1/2013	\$ -	\$ 3,804,250	\$ 3,804,250	0.0%	\$ 271,548,181	1.4%
7/1/2012	\$ -	\$ 4,034,000	\$ 4,034,000	0.0%	\$ 260,548,507	1.5%

Schedule of Employer Contributions - OPEB

Actuarial Valuation Date	Annual Required Contributions (ARC)	Actual Contributions	% Contributed
University			
7/1/2014	\$ 11,712,000	\$ 16,590,300	142%
7/1/2013	\$ 9,809,000	\$ 8,779,000	89%
7/1/2012	\$ 9,162,000	\$ 9,376,000	102%
Clinical Operations			
7/1/2014	\$ 581,000	\$ 49,000	8%
7/1/2013	\$ 609,000	\$ 57,000	9%
7/1/2012	\$ 606,000	\$ 110,000	18%

Summary of Key Actuarial Methods and Assumptions

Valuation Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Period	30 Years
Discount Rate	6.7% University, 4% Clinical Operations
Projected Payroll Growth Rate	2% University, 1.5% Clinical Operations
Healthcare Cost Trend Rate	University: Pre-Medicare: 7% initially, reduced by decrements to a rate of 5% after eight years Post-Medicare: 9% initially, reduced by decrements to a rate of 5% after nine years Dental: 5%
	Clinical Operations: Select: 8% , reduced by 0.5% each year until reaching the ultimate trend Ultimate: 4.5%

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Net Position as of June 30, 2015 – Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM	UNM Lobo Club	Lobo Development Corporation
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,357,462	\$ 1,278,314	\$ 1,131,066	\$ 3,807,185	\$ 1,792,401
Cash and cash equivalents – restricted	40,243,562	-	133,907	-	-
Short-term investments	-	1,997,888	637,162	-	-
Accounts receivable, net	1,186,756	1,173,838	139,893	146,032	34,863
Patient receivables, net	-	-	-	-	-
Other receivables, net	-	-	-	-	-
Inventories	-	47,472	-	-	-
Due from The University of New Mexico	-	74,888	-	-	50,000
Due from affiliates	-	-	-	-	-
Other current assets	219,271	90,722	-	2,432	-
Total current assets	<u>\$ 44,007,051</u>	<u>\$ 4,663,122</u>	<u>\$ 2,042,028</u>	<u>\$ 3,955,649</u>	<u>\$ 1,877,264</u>
Noncurrent assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	203,075,170	-	11,054	-	-
Due from The University of New Mexico	-	-	-	-	350,000
Other noncurrent assets	5,755,016	-	-	-	-
Capital assets, net	87,930	-	7,012,926	-	26,066,226
Total noncurrent assets	<u>\$ 208,918,116</u>	<u>\$ -</u>	<u>\$ 7,023,980</u>	<u>\$ -</u>	<u>\$ 26,416,226</u>
Total assets	<u>\$ 252,925,167</u>	<u>\$ 4,663,122</u>	<u>\$ 9,066,008</u>	<u>\$ 3,955,649</u>	<u>\$ 28,293,490</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	\$ 1,383,410	\$ 25,268	\$ 364,287	\$ 5,169	\$ 24,885
Advance funding received	92,550	-	-	-	-
Due to The University of New Mexico	46,309,339	829,724	352,507	3,050,430	601,056
Due to affiliates	-	-	-	-	-
Unearned revenue	-	1,341,598	-	-	-
Bonds payable – current	-	-	-	-	-
Long-term debt – current	-	-	-	-	-
Annuities payable	340,768	-	-	-	-
Other current liabilities	460,988	-	597,161	-	-
Total current liabilities	<u>\$ 48,587,055</u>	<u>\$ 2,196,590</u>	<u>\$ 1,313,955</u>	<u>\$ 3,055,599</u>	<u>\$ 625,941</u>
Noncurrent liabilities					
Bonds payable – noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt – noncurrent	-	-	-	-	-
Due to The University of New Mexico	4,067,388	-	-	-	25,919,042
Annuities payable	2,308,853	-	-	-	-
Total noncurrent liabilities	<u>\$ 6,376,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,919,042</u>
Total liabilities	<u>\$ 54,963,296</u>	<u>\$ 2,196,590</u>	<u>\$ 1,313,955</u>	<u>\$ 3,055,599</u>	<u>\$ 26,544,983</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	\$ -	\$ -	\$ -	\$ 898,205	\$ -
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 898,205</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 87,930	\$ -	\$ 7,012,926	\$ -	\$ (453,872)
Restricted nonexpendable	174,596,320	-	-	-	-
Restricted expendable	21,145,692	500,075	-	1,298	-
Unrestricted	2,131,929	1,966,457	739,127	547	2,202,379
Total net position	<u>\$ 197,961,871</u>	<u>\$ 2,466,532</u>	<u>\$ 7,752,053</u>	<u>\$ 1,845</u>	<u>\$ 1,748,507</u>

SCHEDULE 3

Lobo Energy, Inc.	The University of New Mexico Alumni Association	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Component Unit Eliminations	Total
\$ 864,756	\$ 985,800	\$ 23,359,944	\$ 13,184,429	\$ 48,761,357	\$ -	\$ 48,761,357
-	-	-	5,853,358	46,230,827	-	46,230,827
-	8,195,696	-	-	10,830,746	-	10,830,746
9,744	33,066	-	-	2,724,192	-	2,724,192
-	-	28,476,374	10,299,629	38,776,003	-	38,776,003
-	-	14,636	1,577,003	1,591,639	-	1,591,639
-	-	-	2,087,239	2,134,711	-	2,134,711
-	-	7,790,662	-	7,915,550	-	7,915,550
-	-	103,542	-	103,542	(103,542)	-
-	33,800	-	948,318	1,294,543	-	1,294,543
<u>\$ 874,500</u>	<u>\$ 9,248,362</u>	<u>\$ 59,745,158</u>	<u>\$ 33,949,976</u>	<u>\$ 160,363,110</u>	<u>\$ (103,542)</u>	<u>\$ 160,259,568</u>
\$ -	\$ -	\$ 1,350,028	\$ -	\$ 1,350,028	\$ -	\$ 1,350,028
-	-	17,634,658	5,404,485	226,125,367	-	226,125,367
-	-	-	-	350,000	-	350,000
30	-	701,161	-	6,456,207	-	6,456,207
10,489,738	-	3,541,317	121,779,060	168,977,197	-	168,977,197
<u>\$ 10,489,768</u>	<u>\$ -</u>	<u>\$ 23,227,164</u>	<u>\$ 127,183,545</u>	<u>\$ 403,258,799</u>	<u>\$ -</u>	<u>\$ 403,258,799</u>
<u>\$ 11,364,268</u>	<u>\$ 9,248,362</u>	<u>\$ 82,972,322</u>	<u>\$ 161,133,521</u>	<u>\$ 563,621,909</u>	<u>\$ (103,542)</u>	<u>\$ 563,518,367</u>
\$ 68,117	\$ 4,371	\$ 5,264,640	\$ 9,675,870	\$ 16,816,017	\$ -	\$ 16,816,017
-	-	-	-	92,550	-	92,550
-	-	30,272,990	359,052	81,775,098	-	81,775,098
-	-	-	103,542	103,542	(103,542)	-
-	-	-	-	1,341,598	-	1,341,598
-	-	-	3,380,000	3,380,000	-	3,380,000
956,306	-	-	-	956,306	-	956,306
-	-	-	-	340,768	-	340,768
-	-	71,484	-	1,129,633	-	1,129,633
<u>\$ 1,024,423</u>	<u>\$ 4,371</u>	<u>\$ 35,609,114</u>	<u>\$ 13,518,464</u>	<u>\$ 105,935,512</u>	<u>\$ (103,542)</u>	<u>\$ 105,831,970</u>
\$ -	\$ -	\$ -	\$ 128,500,000	\$ 128,500,000	\$ -	\$ 128,500,000
6,394,439	-	-	-	6,394,439	-	6,394,439
-	-	-	-	29,986,430	-	29,986,430
-	-	-	-	2,308,853	-	2,308,853
<u>\$ 6,394,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,500,000</u>	<u>\$ 167,189,722</u>	<u>\$ -</u>	<u>\$ 167,189,722</u>
<u>\$ 7,418,862</u>	<u>\$ 4,371</u>	<u>\$ 35,609,114</u>	<u>\$ 142,018,464</u>	<u>\$ 273,125,234</u>	<u>\$ (103,542)</u>	<u>\$ 273,021,692</u>
\$ -	\$ -	\$ -	\$ -	\$ 898,205	\$ -	\$ 898,205
\$ -	\$ -	\$ -	\$ -	\$ 898,205	\$ -	\$ 898,205
\$ 3,138,993	\$ -	\$ 3,541,317	\$ (10,100,940)	\$ 3,226,354	\$ -	\$ 3,226,354
-	-	-	-	174,596,320	-	174,596,320
-	-	-	11,336,578	32,983,643	-	32,983,643
806,413	9,243,991	43,821,891	17,879,419	78,792,153	-	78,792,153
<u>\$ 3,945,406</u>	<u>\$ 9,243,991</u>	<u>\$ 47,363,208</u>	<u>\$ 19,115,057</u>	<u>\$ 289,598,470</u>	<u>\$ -</u>	<u>\$ 289,598,470</u>

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Net Position as of June 30, 2014 – Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM	UNM Lobo Club	Lobo Development Corporation
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,011,949	\$ 1,209,066	\$ 797,604	\$ 3,807,917	\$ 595,085
Cash and cash equivalents – restricted	8,940,778	-	4,468,087	-	-
Short-term investments	-	1,461,261	638,071	-	-
Accounts receivable, net	833,215	803,035	503,309	71,350	-
Patient receivables, net	-	-	-	-	-
Other receivables, net	-	-	-	-	-
Inventories	-	49,331	-	-	-
Due from The University of New Mexico	-	69,838	-	-	-
Due from affiliates	-	-	-	-	-
Other current assets	1,883,810	46,289	-	9,628	-
Total current assets	<u>\$ 13,669,752</u>	<u>\$ 3,638,820</u>	<u>\$ 6,407,071</u>	<u>\$ 3,888,895</u>	<u>\$ 595,085</u>
Noncurrent assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	209,146,841	-	14,795	-	-
Other noncurrent assets	6,201,464	-	-	-	-
Capital assets, net	112,632	-	32,688	-	26,775,511
Total noncurrent assets	<u>\$ 215,460,937</u>	<u>\$ -</u>	<u>\$ 47,483</u>	<u>\$ -</u>	<u>\$ 26,775,511</u>
Total assets	<u>\$ 229,130,689</u>	<u>\$ 3,638,820</u>	<u>\$ 6,454,554</u>	<u>\$ 3,888,895</u>	<u>\$ 27,370,596</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	\$ 1,149,609	\$ 24,209	\$ 441,193	\$ 2,611	\$ 26,534
Advance funding received	266,719	-	4,468,087	-	-
Due to The University of New Mexico	20,386,988	544,508	269,468	3,050,165	601,056
Due to affiliates	-	-	-	-	-
Unearned revenue	-	802,562	-	-	-
Bonds payable – current	-	-	-	-	-
Long-term debt – current	-	-	-	-	-
Annuities payable	345,046	-	-	-	-
Other current liabilities	1,746,737	-	768,356	-	-
Total current liabilities	<u>\$ 23,895,099</u>	<u>\$ 1,371,279</u>	<u>\$ 5,947,104</u>	<u>\$ 3,052,776</u>	<u>\$ 627,590</u>
Noncurrent liabilities					
Bonds payable – noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt – noncurrent	-	-	-	-	-
Due to The University of New Mexico	4,385,250	-	-	-	26,520,099
Annuities payable	2,503,129	-	-	-	-
Total noncurrent liabilities	<u>\$ 6,888,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,520,099</u>
Total liabilities	<u>\$ 30,783,478</u>	<u>\$ 1,371,279</u>	<u>\$ 5,947,104</u>	<u>\$ 3,052,776</u>	<u>\$ 27,147,689</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	\$ -	\$ -	\$ -	\$ 772,093	\$ -
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,093</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 112,632	\$ -	\$ 32,688	\$ -	\$ (345,644)
Restricted nonexpendable	175,043,273	-	-	-	-
Restricted expendable	20,794,512	445,573	-	23,107	-
Unrestricted	2,396,794	1,821,968	474,762	40,919	568,551
Total net position	<u>\$ 198,347,211</u>	<u>\$ 2,267,541</u>	<u>\$ 507,450</u>	<u>\$ 64,026</u>	<u>\$ 222,907</u>

SCHEDULE 4

Lobo Energy, Inc.	The University of New Mexico Alumni Association	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Component Unit Eliminations	Total
\$ 1,307,269	\$ 1,039,797	\$ 19,473,694	\$ 4,589,716	\$ 34,832,097	\$ -	\$ 34,832,097
-	-	-	20,616,981	34,025,846	-	34,025,846
-	8,324,230	-	-	10,423,562	-	10,423,562
189,844	32,063	-	-	2,432,816	-	2,432,816
-	-	25,471,178	6,125,618	31,596,796	-	31,596,796
-	-	14,700	4,643,224	4,657,924	-	4,657,924
-	-	-	1,708,711	1,758,042	-	1,758,042
-	-	4,198,961	2,130,605	6,399,404	-	6,399,404
-	-	2,040,000	-	2,040,000	(2,040,000)	-
5,548	14,540	8,511	1,026,830	2,995,156	-	2,995,156
<u>\$ 1,502,661</u>	<u>\$ 9,410,630</u>	<u>\$ 51,207,044</u>	<u>\$ 40,841,685</u>	<u>\$ 131,161,643</u>	<u>\$ (2,040,000)</u>	<u>\$ 129,121,643</u>
\$ -	\$ -	\$ 1,957,580	\$ -	\$ 1,957,580	\$ -	\$ 1,957,580
15,000	-	20,152,884	3,480,942	232,810,462	-	232,810,462
30	-	737,470	-	6,938,964	-	6,938,964
11,030,097	-	2,563,899	128,091,305	168,606,132	-	168,606,132
<u>\$ 11,045,127</u>	<u>\$ -</u>	<u>\$ 25,411,833</u>	<u>\$ 131,572,247</u>	<u>\$ 410,313,138</u>	<u>\$ -</u>	<u>\$ 410,313,138</u>
<u>\$ 12,547,788</u>	<u>\$ 9,410,630</u>	<u>\$ 76,618,877</u>	<u>\$ 172,413,932</u>	<u>\$ 541,474,781</u>	<u>\$ (2,040,000)</u>	<u>\$ 539,434,781</u>
\$ 83,854	\$ 18,783	\$ 3,894,699	\$ 9,075,859	\$ 14,717,351	\$ -	\$ 14,717,351
-	-	-	-	4,734,806	-	4,734,806
-	-	26,470,391	1,419,024	52,741,600	-	52,741,600
-	-	-	2,040,000	2,040,000	(2,040,000)	-
-	-	-	-	802,562	-	802,562
-	-	-	11,545,000	11,545,000	-	11,545,000
931,388	-	-	-	931,388	-	931,388
-	-	-	-	345,046	-	345,046
-	-	-	-	2,515,093	-	2,515,093
<u>\$ 1,015,242</u>	<u>\$ 18,783</u>	<u>\$ 30,365,090</u>	<u>\$ 24,079,883</u>	<u>\$ 90,372,846</u>	<u>\$ (2,040,000)</u>	<u>\$ 88,332,846</u>
\$ -	\$ -	\$ -	\$ 131,880,000	\$ 131,880,000	\$ -	\$ 131,880,000
7,350,745	-	-	-	7,350,745	-	7,350,745
-	-	-	-	30,905,349	-	30,905,349
-	-	-	-	2,503,129	-	2,503,129
<u>\$ 7,350,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,880,000</u>	<u>\$ 172,639,223</u>	<u>\$ -</u>	<u>\$ 172,639,223</u>
<u>\$ 8,365,987</u>	<u>\$ 18,783</u>	<u>\$ 30,365,090</u>	<u>\$ 155,959,883</u>	<u>\$ 263,012,069</u>	<u>\$ (2,040,000)</u>	<u>\$ 260,972,069</u>
\$ -	\$ -	\$ -	\$ -	\$ 772,093	\$ -	\$ 772,093
\$ -	\$ -	\$ -	\$ -	\$ 772,093	\$ -	\$ 772,093
\$ 2,747,964	\$ -	\$ 2,563,899	\$ (15,333,693)	\$ (10,222,154)	\$ -	\$ (10,222,154)
-	-	-	-	175,043,273	-	175,043,273
-	-	-	24,100,300	45,363,492	-	45,363,492
1,433,837	9,391,847	43,689,888	7,687,442	67,506,008	-	67,506,008
<u>\$ 4,181,801</u>	<u>\$ 9,391,847</u>	<u>\$ 46,253,787</u>	<u>\$ 16,454,049</u>	<u>\$ 277,690,619</u>	<u>\$ -</u>	<u>\$ 277,690,619</u>

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2015 –
Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM	UNM Lobo Club	Lobo Development Corporation
REVENUES					
Operating revenues					
Sales and services	\$ -	\$ 2,631,515	\$ -	\$ 156,622	\$ 3,333,208
Net patient service	-	-	-	-	-
Federal grants and contracts	-	-	1,498,048	-	-
Nongovernmental grants, bequests, and contributions	18,183,206	276,661	5,500,000	5,694,053	-
Operational support	8,156,825	-	2,846,500	-	-
Other operating revenues	803,838	18,471	2,779,047	15,835	549,338
Total operating revenues	<u>\$ 27,143,869</u>	<u>\$ 2,926,647</u>	<u>\$ 12,623,595</u>	<u>\$ 5,866,510</u>	<u>\$ 3,882,546</u>
EXPENSES					
Operating expenses					
General and administrative	\$ 12,213,276	\$ 2,073,147	\$ 1,329,022	\$ 272,697	\$ 394,467
Depreciation expense	-	-	114,243	-	709,285
Program expenses	-	624,613	3,454,809	5,686,739	318,695
Distributions to the University of New Mexico	26,224,604	-	-	-	-
Total operating expenses	<u>\$ 38,437,880</u>	<u>\$ 2,697,760</u>	<u>\$ 4,898,074</u>	<u>\$ 5,959,436</u>	<u>\$ 1,422,447</u>
Net operating income (loss)	<u>\$ (11,294,011)</u>	<u>\$ 228,887</u>	<u>\$ 7,725,521</u>	<u>\$ (92,926)</u>	<u>\$ 2,460,099</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriations	\$ -	\$ -	\$ -	\$ -	\$ -
Local appropriations	-	-	-	-	-
Federal bond subsidy	-	-	-	-	-
Investment income	(794,918)	(789)	(533,081)	30,745	20,916
Other nonoperating revenues	-	(29,107)	90,245	-	-
Interest expense	-	-	(38,082)	-	(805,415)
Distributions to the University of New Mexico	-	-	-	-	(150,000)
Total nonoperating revenues	<u>\$ (794,918)</u>	<u>\$ (29,896)</u>	<u>\$ (480,918)</u>	<u>\$ 30,745</u>	<u>\$ (934,499)</u>
Income (loss) before other revenues	<u>\$ (12,088,929)</u>	<u>\$ 198,991</u>	<u>\$ 7,244,603</u>	<u>\$ (62,181)</u>	<u>\$ 1,525,600</u>
Contributions to permanent endowments	<u>\$ 11,703,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other revenues	<u>\$ 11,703,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net position	<u>\$ (385,340)</u>	<u>\$ 198,991</u>	<u>\$ 7,244,603</u>	<u>\$ (62,181)</u>	<u>\$ 1,525,600</u>
Net position at beginning of year	<u>198,347,211</u>	<u>2,267,541</u>	<u>507,450</u>	<u>64,026</u>	<u>222,907</u>
Net position at end of year	<u>\$ 197,961,871</u>	<u>\$ 2,466,532</u>	<u>\$ 7,752,053</u>	<u>\$ 1,845</u>	<u>\$ 1,748,507</u>

SCHEDULE 5

Lobo Energy, Inc.	The University of New Mexico Alumni Association	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total
\$ 2,788,665	\$ 11,327	\$ 17,872,845	\$ -	\$ 26,794,182
-	-	171,937,619	74,754,919	246,692,538
-	-	-	-	1,498,048
-	-	-	-	29,653,920
-	-	-	-	11,003,325
-	482,233	10,603,631	516,033	15,768,426
<u>\$ 2,788,665</u>	<u>\$ 493,560</u>	<u>\$ 200,414,095</u>	<u>\$ 75,270,952</u>	<u>\$ 331,410,439</u>
\$ 193,852	\$ 62,877	\$ 199,428,736	\$ 64,065,761	\$ 280,033,835
540,359	591,291	808,099	9,621,494	12,384,771
2,082,006	-	-	-	12,166,862
-	-	-	-	26,224,604
<u>\$ 2,816,217</u>	<u>\$ 654,168</u>	<u>\$ 200,236,835</u>	<u>\$ 73,687,255</u>	<u>\$ 330,810,072</u>
\$ (27,552)	\$ (160,608)	\$ 177,260	\$ 1,583,697	\$ 600,367
\$ -	\$ -	\$ 813,100	\$ -	\$ 813,100
-	-	-	6,080,650	6,080,650
-	-	-	1,998,362	1,998,362
(1,166)	(11,610)	119,061	5,991	(1,164,851)
-	24,362	-	(989,960)	(904,460)
(207,677)	-	-	(6,017,732)	(7,068,906)
-	-	-	-	(150,000)
<u>\$ (208,843)</u>	<u>\$ 12,752</u>	<u>\$ 932,161</u>	<u>\$ 1,077,311</u>	<u>\$ (396,105)</u>
\$ (236,395)	\$ (147,856)	\$ 1,109,421	\$ 2,661,008	\$ 204,262
\$ -	\$ -	\$ -	\$ -	\$ 11,703,589
\$ -	\$ -	\$ -	\$ -	\$ 11,703,589
\$ (236,395)	\$ (147,856)	\$ 1,109,421	\$ 2,661,008	\$ 11,907,851
4,181,801	9,391,847	46,253,787	16,454,049	277,690,619
<u>\$ 3,945,406</u>	<u>\$ 9,243,991</u>	<u>\$ 47,363,208</u>	<u>\$ 19,115,057</u>	<u>\$ 289,598,470</u>

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2014 –
Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM	UNM Lobo Club	Lobo Development Corporation
REVENUES					
Operating revenues					
Sales and services	\$ -	\$ 2,475,246	\$ -	\$ 163,633	\$ 2,761,184
Net patient service	-	-	-	-	-
Nongovernmental grants, bequests, and contributions	22,829,875	291,611	-	6,001,478	-
Operational support	8,263,933	-	2,042,946	-	-
Other operating revenues	464,794	55,599	1,738,999	15,647	-
Total operating revenues	<u>\$ 31,558,602</u>	<u>\$ 2,822,456</u>	<u>\$ 3,781,945</u>	<u>\$ 6,180,758</u>	<u>\$ 2,761,184</u>
EXPENSES					
Operating expenses					
General and administrative	\$ 12,134,671	\$ 2,085,829	\$ 1,360,527	\$ 351,392	\$ 485,242
Depreciation expense	-	-	21,843	-	709,285
Program expenses	-	656,723	2,434,073	5,900,559	731,703
Distributions to the University of New Mexico	30,455,098	-	-	-	-
Total operating expenses	<u>\$ 42,589,769</u>	<u>\$ 2,742,552</u>	<u>\$ 3,816,443</u>	<u>\$ 6,251,951</u>	<u>\$ 1,926,230</u>
Net operating income (loss)	<u>\$ (11,031,167)</u>	<u>\$ 79,904</u>	<u>\$ (34,498)</u>	<u>\$ (71,193)</u>	<u>\$ 834,954</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriations	\$ -	\$ -	\$ -	\$ -	\$ -
Local appropriations	-	-	-	-	-
Federal bond subsidy	-	-	-	-	-
Investment income	31,649,155	177,711	93,327	29,851	9,656
Other nonoperating revenues	-	(48,720)	12,521	-	-
Interest expense	-	-	-	-	(823,157)
Distributions to the University of New Mexico	-	-	-	-	(250,000)
Total nonoperating revenues	<u>\$ 31,649,155</u>	<u>\$ 128,991</u>	<u>\$ 105,848</u>	<u>\$ 29,851</u>	<u>\$ (1,063,501)</u>
Income (loss) before other revenues	<u>\$ 20,617,988</u>	<u>\$ 208,895</u>	<u>\$ 71,350</u>	<u>\$ (41,342)</u>	<u>\$ (228,547)</u>
Contributions to permanent endowments	<u>\$ 7,731,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other revenues	<u>\$ 7,731,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net position	<u>\$ 28,349,259</u>	<u>\$ 208,895</u>	<u>\$ 71,350</u>	<u>\$ (41,342)</u>	<u>\$ (228,547)</u>
Net position at beginning of year	<u>169,997,952</u>	<u>2,058,646</u>	<u>436,100</u>	<u>105,368</u>	<u>451,454</u>
Net position at end of year	<u>\$ 198,347,211</u>	<u>\$ 2,267,541</u>	<u>\$ 507,450</u>	<u>\$ 64,026</u>	<u>\$ 222,907</u>

SCHEDULE 6

Lobo Energy, Inc.	The University of New Mexico Alumni Association	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total
\$ 3,290,454	\$ 9,738	\$ 14,677,033	\$ -	\$ 23,377,288
-	-	149,136,104	53,651,522	202,787,626
-	-	-	-	29,122,964
-	-	-	-	10,306,879
-	451,735	2,483,781	439,519	5,650,074
<u>\$ 3,290,454</u>	<u>\$ 461,473</u>	<u>\$ 166,296,918</u>	<u>\$ 54,091,041</u>	<u>\$ 271,244,831</u>
\$ 158,383	\$ 91,907	\$ 167,461,800	\$ 50,261,570	\$ 234,391,321
212,398	-	594,095	9,111,618	10,649,239
813,099	656,013	-	-	11,192,170
-	-	-	-	30,455,098
<u>\$ 1,183,880</u>	<u>\$ 747,920</u>	<u>\$ 168,055,895</u>	<u>\$ 59,373,188</u>	<u>\$ 286,687,828</u>
<u>\$ 2,106,574</u>	<u>\$ (286,447)</u>	<u>\$ (1,758,977)</u>	<u>\$ (5,282,147)</u>	<u>\$ (15,442,997)</u>
\$ -	\$ -	\$ 815,300	\$ -	\$ 815,300
-	-	-	7,982,814	7,982,814
-	-	-	2,158,940	2,158,940
(335,353)	1,092,390	202,259	255,078	33,174,074
-	15,758	-	(1,175,577)	(1,196,018)
(231,271)	-	-	(6,504,125)	(7,558,553)
-	-	-	-	(250,000)
<u>\$ (566,624)</u>	<u>\$ 1,108,148</u>	<u>\$ 1,017,559</u>	<u>\$ 2,717,130</u>	<u>\$ 35,126,557</u>
<u>\$ 1,539,950</u>	<u>\$ 821,701</u>	<u>\$ (741,418)</u>	<u>\$ (2,565,017)</u>	<u>\$ 19,683,560</u>
\$ -	\$ -	\$ -	\$ -	7,731,271
\$ -	\$ -	\$ -	\$ -	7,731,271
\$ 1,539,950	\$ 821,701	\$ (741,418)	\$ (2,565,017)	\$ 27,414,831
2,641,851	8,570,146	46,995,205	19,019,066	250,275,788
<u>\$ 4,181,801</u>	<u>\$ 9,391,847</u>	<u>\$ 46,253,787</u>	<u>\$ 16,454,049</u>	<u>\$ 277,690,619</u>

Budget Comparison – Unrestricted and Restricted – All Operations
 For the year ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable/ (Unfavorable)</u>
Unrestricted and Restricted Beginning Net Position	\$ 269,547,275	\$ 325,152,389	\$ 325,152,389	\$ -
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 196,572,253	\$ 193,836,577	\$ 194,080,327	\$ 243,750
Federal Government Appropriations	59,887,211	59,887,211	52,662,169	(7,225,042)
State Government Appropriations	322,587,271	322,620,206	322,126,173	(494,033)
Local Government Appropriations	7,063,190	7,513,190	7,682,413	169,223
Federal Government Contracts/Grants	194,289,841	192,048,934	166,730,447	(25,318,487)
State Government Contracts/Grants	91,136,914	95,303,641	90,524,962	(4,778,679)
Local Government Contracts/Grants	3,010,666	2,936,636	1,706,501	(1,230,135)
Private Contracts/Grants	43,506,388	49,899,481	48,656,807	(1,242,674)
Endowments and Private Gifts	1,534,352	1,196,823	1,705,208	508,385
Land and Permanent Fund	8,228,869	8,800,000	9,518,002	718,002
Sales and Services	340,643,849	359,582,859	363,008,160	3,425,301
Other	151,739,187	272,360,531	414,132,125	141,771,594
Total Unrestricted and Restricted Revenues	<u>\$ 1,420,199,991</u>	<u>\$ 1,565,986,089</u>	<u>\$ 1,672,533,294</u>	<u>\$ 106,547,205</u>
Unrestricted and Restricted Expenditures:				
Instruction	\$ 294,609,185	\$ 289,282,540	\$ 280,315,444	\$ 8,967,096
Academic Support	60,375,221	60,269,922	56,423,909	3,846,013
Student Services	35,752,670	36,336,205	32,176,554	4,159,651
Institutional Support	66,318,964	70,381,561	67,856,665	2,524,896
Operations and Maintenance	50,793,478	51,476,298	49,846,824	1,629,474
Student Social and Cultural	9,553,029	10,657,155	9,318,829	1,338,326
Research	196,047,502	191,819,848	167,329,452	24,490,396
Public Service	344,669,576	359,861,702	347,538,025	12,323,677
Internal Services	1,631,713	2,690,940	(1,303,136)	3,994,076
Student Aid, Grants and Stipends	138,177,034	141,424,515	127,688,797	13,735,718
Auxiliary Services	56,459,021	58,101,391	53,831,258	4,270,133
Intercollegiate Athletics	31,671,746	32,556,101	31,857,107	698,994
Independent Operations	78,232,074	78,967,743	80,411,167	(1,443,424)
Capital Outlay	73,910,839	59,883,359	57,650,837	2,232,522
Building Renewal & Replacement	11,000,000	11,000,000	9,724,870	1,275,130
Retirement of Indebtedness	35,511,253	167,329,020	166,379,671	949,349
Total Unrestricted and Restricted Expenditures	<u>\$ 1,484,713,305</u>	<u>\$ 1,622,038,300</u>	<u>\$ 1,537,046,273</u>	<u>\$ 84,992,027</u>
Net Transfers	\$ 7,216,006	\$ 3,874,326	\$ 4,468,235	\$ 593,909
Change in Net Position (Budgetary Basis)	<u>\$ (57,297,308)</u>	<u>\$ (52,177,885)</u>	<u>\$ 139,955,256</u>	<u>\$ 192,133,141</u>
Ending Net Position	<u>\$ 212,249,967</u>	<u>\$ 272,974,504</u>	<u>\$ 465,107,645</u>	<u>\$ 192,133,141</u>

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 these 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, and E. Each individual item of transfer between funds and/or functions.

See accompanying independent auditors' report.

Budget Comparison - Unrestricted - Instruction & General
For the year ended June 30, 2015

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable/ (Unfavorable)
Unrestricted Beginning Net Position	\$ 38,540,507	\$ 51,354,967	\$ 51,354,967	\$ -
Unrestricted Revenues:				
Tuition and Fees	\$ 175,624,548	\$ 172,873,012	\$ 172,952,057	\$ 79,045
Federal Government Appropriations	70,000	70,000	1,940	(68,060)
State Government Appropriations	277,359,800	277,392,735	277,375,913	(16,822)
Local Government Appropriations	7,063,190	7,513,190	7,682,413	169,223
Federal Government Contracts/Grants	179,626	180,000	253,820	73,820
State Government Contracts/Grants	10,900	10,900	34,014	23,114
Local Government Contracts/Grants	-	-	-	-
Private Contracts/Grants	-	-	1,500	1,500
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	8,228,869	8,800,000	9,518,002	718,002
Sales and Services	672,914	3,600,542	450,124	(3,150,418)
Other	56,285,615	60,173,047	64,647,729	4,474,682
Total Unrestricted Revenues	<u>\$ 525,495,462</u>	<u>\$ 530,613,426</u>	<u>\$ 532,917,512</u>	<u>\$ 2,304,086</u>
Unrestricted Expenditures:				
Instruction	\$ 280,919,921	\$ 275,949,154	\$ 270,350,298	\$ 5,598,856
Academic Support	59,107,730	59,095,541	55,785,188	3,310,353
Student Services	30,598,132	30,784,589	29,641,976	1,142,613
Institutional Support	65,935,211	69,997,808	67,755,865	2,241,943
Operations and Maintenance	50,736,013	51,418,833	49,841,593	1,577,240
Total Unrestricted Expenditures	<u>\$ 487,297,007</u>	<u>\$ 487,245,925</u>	<u>\$ 473,374,920</u>	<u>\$ 13,871,005</u>
Net Transfers	<u>\$ (51,399,027)</u>	<u>\$ (55,046,833)</u>	<u>\$ (60,432,448)</u>	<u>\$ (5,385,615)</u>
Change in Net Position (Budgetary Basis)	<u>\$ (13,200,572)</u>	<u>\$ (11,679,332)</u>	<u>\$ (889,856)</u>	<u>\$ 10,789,476</u>
Ending Net Position	<u>\$ 25,339,935</u>	<u>\$ 39,675,635</u>	<u>\$ 50,465,111</u>	<u>\$ 10,789,476</u>

See accompanying independent auditors' report.

Budget Comparison - Restricted - Instruction & General
For the year ended June 30, 2015

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable/ (Unfavorable)
	\$ -	\$ -	\$ -	\$ -
Restricted Beginning Net Position	-	-	-	-
Restricted Revenues:				
Tuition and Fees	\$ -	\$ -	\$ -	\$ -
Federal Government Appropriations	39,811	39,811	-	(39,811)
State Government Appropriations	37,089	37,089	-	(37,089)
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	11,936,589	11,738,633	8,318,941	(3,419,692)
State Government Contracts/Grants	2,811,815	2,091,050	1,473,720	(617,330)
Local Government Contracts/Grants	207,265	110,402	67,367	(43,035)
Private Contracts/Grants	5,069,942	5,787,235	3,004,782	(2,782,453)
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>\$ 20,102,511</u>	<u>\$ 19,804,220</u>	<u>\$ 12,864,810</u>	<u>\$ (6,939,410)</u>
Restricted Expenditures:				
Instruction	\$ 13,689,264	\$ 13,333,386	\$ 9,965,146	\$ 3,368,240
Academic Support	1,267,491	1,174,381	638,721	535,660
Student Services	5,154,538	5,551,616	2,534,578	3,017,038
Institutional Support	383,753	383,753	100,800	282,953
Operations and Maintenance	57,465	57,465	5,231	52,234
Total Restricted Expenditures	<u>\$ 20,552,511</u>	<u>\$ 20,500,601</u>	<u>\$ 13,244,476</u>	<u>\$ 7,256,125</u>
Net Transfers	<u>\$ 450,000</u>	<u>\$ 696,381</u>	<u>\$ 379,666</u>	<u>\$ (316,715)</u>
Change in Net Position (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

Reconciliation of Budgetary Basis to Financial Statement Basis
 Unrestricted and Restricted - All Operations
 For the year ended June 30, 2015

Total Unrestricted and Restricted Revenues:

Budgetary Basis	\$ 1,672,533,294
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	682,156,483
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	42,345,031
Scholarship allowance (amount not in budgetary basis)	(84,668,487)
Endowment fund items (amount not in budgetary basis)	(964,728)
Land grant permanent fund endowment income (amount not in budgetary basis)	2,474,642
Investment in Plant items (amount not in budgetary basis)	113,950
Bond proceeds (amount not in financial statements)	(132,739,662)
Other fund items (amount not in budgetary basis)	(2,487,070)
Revenue/expenditure classification differences	1,278,504
Other	(1,502,953)
Total reconciling items	<u>\$ 506,005,710</u>
Total reconciled unrestricted and restricted revenues per Budgetary Basis	<u><u>\$ 2,178,539,004</u></u>
Basic Financial Statements	
Operating revenues	\$ 1,596,453,783
Nonoperating revenues	555,806,529
Nonoperating revenues netted in other nonoperating revenues and expenses	1,656,226
Capital contributions	24,622,466
Total unrestricted and restricted revenues per Financial Statements	<u><u>\$ 2,178,539,004</u></u>
Difference	<u><u>\$ -</u></u>

Total Unrestricted and Restricted Expenditures:

Budgetary Basis	\$ 1,537,046,273
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	663,900,309
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	38,290,242
Scholarship allowance (amount not in budgetary basis)	(84,668,487)
Endowment fund items (amount not in budgetary basis)	2,958,270
Investment in Plant items (amount not in financial statements)	1,296,315
Depreciation expense (amount not in budgetary basis)	61,088,145
Capitalized expenditures (amount not in financial statements)	(47,345,372)
Bond principal payments (amount not in financial statements)	(144,397,934)
GASB 68 pension expense (amount not in budgetary basis)	5,427,776
Revenue/expenditure classification differences	1,278,504
Other	(33,803)
Total reconciling items	<u>\$ 497,793,965</u>
Total reconciled unrestricted and restricted expenditures per Budgetary Basis	<u><u>\$ 2,034,840,238</u></u>
Basic Financial Statements	
Operating expenditures	\$ 2,008,638,065
Nonoperating expenditures	20,241,427
Nonoperating expenditures netted in other nonoperating revenues and expenses	5,960,746
Total unrestricted and restricted expenditures per Financial Statements	<u><u>\$ 2,034,840,238</u></u>
Difference	<u><u>\$ -</u></u>

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

Schedule of Deposits & Pledged Collateral as of June 30, 2015 - Primary Institution

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance
Bank of America	Checking	General Depository	\$ -	\$ 2,769,335
		Less FDIC Insurance		250,000
		Uninsured Public Funds		\$ 2,519,335
		Collateral Requirement (50%)		\$ 1,259,668
		Fair Value of Collateral		\$ 2,446,017
		Over (Under) Collateralized		\$ 1,186,350
		Bank of America*	Checking	UNMH Operating Account
Less FDIC Insurance				500,000
Uninsured Public Funds				\$ 166,132,711
Collateral Requirement (50%)				\$ 83,066,356
Fair Value of Collateral				\$ 136,118,901
Over (Under) Collateralized				\$ 53,052,546
Los Alamos National Bank	Checking			Los Alamos Campus Depository
		Less FDIC Insurance		4,249
		Uninsured Public Funds		\$ -
US Bank	Checking	General Depository	\$ 108,337,368	\$ 126,934,649
		Gallup Campus Depository	869	-
		Taos Education Center Depository	15,530	7,150
		Valencia Campus Depository	2,962	2,726
			\$ 108,356,729	\$ 126,944,525
				250,000
			\$ 126,694,525	
			\$ 63,347,263	
			\$ 157,201,512	
			\$ 93,854,250	
		Total Petty Cash - Primary Institution	\$ 194,738	
		Component Unit deposits held by UNM	(3,766,310)	
		Net non-depository cash and cash equivalents	6,964	
Total Cash and Cash Equiv. – Primary Institution			\$ 251,246,726	\$ 296,350,820

* UNM Hospital

See accompanying Independent Auditor's Report.

SCHEDULE 10

CUSIP Identification	Maturity Date	Type of Securities	Amount
Main Campus*			
3128NVLK6	1/1/2036	FHLMC \$	344,682
3137B1H21	4/15/2043	FHLMC	28,731,441
3137B2SK7	6/15/2043	FHLMC	128,125,389
		\$	157,201,512

CUSIP Identification	Maturity Date	Type of Securities	Amount
Main Campus**			
31294KSF3	7/1/2018	FMAC \$	1,250
3132GRHL8	2/1/2042	FMAC	83,835
3132GUBR4	6/1/2042	FMAC	99,727
31371K4S7	4/1/2023	FNMA	9,057
31371KVP3	10/1/2022	FNMA	103,597
31371KXT3	1/1/2018	FNMA	72,960
31387FB29	9/1/2029	FNMA	36
31388YWW8	3/1/2017	FNMA	202
31389MPQ4	3/1/2017	FNMA	475
3138EHXR8	2/1/2042	FNMA	313,383
3138WTQN9	6/1/2043	FNMA	110,357
31391WVD0	1/1/2018	FNMA	114,269
31391Y3N5	2/1/2018	FNMA	32,542
31402R6P9	8/1/2018	FNMA	106
31416BL71	9/1/2037	FNMA	89,648
31416XBU3	11/1/2040	FNMA	265,704
31417B6D4	6/1/2042	FNMA	111,631
31417BZU4	5/1/2042	FNMA	208,794
31417CSK2	8/1/2042	FNMA	61,935
31417EY70	2/1/2043	FNMA	273,612
31418ANH7	11/1/2042	FNMA	67,489
31418P3U7	3/1/2037	FNMA	143
31418QXL0	5/1/2034	FNMA	95,695
31419A4N4	2/1/2041	FNMA	61,255
31419ADD6	10/1/2036	FNMA	3,216
31419ALS4	9/1/2038	FNMA	155
31419ANK9	10/1/2039	FNMA	70,855
31419AXA0	10/1/2038	FNMA	18,897
31419BB61	5/1/2040	FNMA	318
31419EBC2	9/1/2040	FNMA	57,290
31419HFF4	10/1/2040	FNMA	323
36179NX60	1/20/2044	FNMA	117,261
		\$	2,446,017

CUSIP Identification	Maturity Date	Type of Securities	Amount
UNM Hospital**			
3128NGR31	8/1/2035	FHLMC \$	116,817
3128QLQQ7	12/1/2035	FHLMC	1,064,731
31294KNX9	2/1/2018	FGPC	2,681
31294KSF3	7/1/2018	FGPC	2,261,185
3132GRHL8	2/1/2042	FGPC	4,895,012
3132GUBR4	6/1/2042	FGPC	1,101,553
31335HHS5	12/1/2018	FGPC	462
31371KXT3	1/1/2018	FNMA	4,048
3138EGJZ8	10/1/2038	FNMA	9,281,050
3138EHXR8	2/1/2042	FNMA	7,349,737
3138MQTB9	12/1/2042	FNMA	5,969,620
3138WTQN9	6/1/2043	FNMA	128,497
31391WVD0	1/1/2018	FNMA	129,183
31391Y3N5	2/1/2018	FNMA	107,447
31402HRL7	7/1/2018	FNMA	56
31402XNG7	9/1/2018	FNMA	957
31404AQ64	9/1/2033	FNMA	197,743
31404AQY3	10/1/2028	FNMA	132
31404LV64	6/1/2028	FNMA	6,788
31404LV80	6/1/2033	FNMA	1,739,457
31404LX39	10/1/2028	FNMA	148,502
31405FH39	1/1/2033	FNMA	223,197
31405FHP0	6/1/2033	FNMA	625,798
31405FHQ8	6/1/2033	FNMA	953,119
31405FWH5	10/1/2033	FNMA	841,762
31405MA64	7/1/2034	FNMA	380,141
31410GZC0	3/1/2037	FNMA	1,566,150
31416BL71	9/1/2037	FNMA	20,040
31416XBU3	11/1/2040	FNMA	7,921,349
31417AR50	12/1/2041	FNMA	6,404,477
31417B6D4	6/1/2042	FNMA	2,853,011
31417BZU4	5/1/2042	FNMA	2,590,817
31417EY70	2/1/2043	FNMA	6,639,822
31418ANH7	11/1/2042	FNMA	11,044,479
31418QZL0	5/1/2034	FNMA	45,320
31419A4N4	2/1/2041	FNMA	4,015,238
31419AAZ0	9/1/2038	FNMA	3,930,885
31419ABB2	4/1/2039	FNMA	592,251
31419ADD6	10/1/2036	FNMA	1,776,241
31419ADV6	12/1/2035	FNMA	10,619,181
31419AGL5	4/1/2037	FNMA	8,908,858
31419ALS4	9/1/2038	FNMA	376,204
31419ANK9	10/1/2039	FNMA	1,946,291
31419AVF1	4/1/2039	FNMA	6,792,071
31419AVM6	12/1/2037	FNMA	1,535,169
31419AXA0	10/1/2038	FNMA	420,668
31419BB61	5/1/2040	FNMA	6,599,698
31419EBC2	9/1/2040	FNMA	5,489,024
31419FAU0	4/1/2041	FNMA	2,807,651
31419GA79	10/1/2040	FNMA	43,088
31419HFF4	10/1/2040	FNMA	544,855
31419HH47	11/1/2040	FNMA	3,106,386
		\$	136,118,899

* - Pledged collateral is held by US Bank in the University's name

** - Pledged collateral is held in safekeeping by the Bank of New York Mellon

THE UNIVERSITY OF NEW MEXICO

Schedule of Deposits & Pledged Collateral as of June 30, 2015 - Component Units

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance
UNM Foundation				
Nusenda Federal Credit Union	Cash	General Fund	\$ 118,503	\$ 118,503
		Less NCUA Insurance		118,503
		Uninsured Public Funds	\$ -	-
Wells Fargo Bank	Cash	UNM Foundation Operating	\$ 37,184,668	\$ 37,220,620
		Development	4,770,443	3,751,608
			\$ 41,955,111	\$ 40,972,228
		Less FDIC Insurance		250,000
		Uninsured Public Funds	\$ -	\$ 40,722,228
		Collateral Requirement (50%)	\$ -	\$ 20,361,114
		Fair Value of Collateral	\$ -	\$ 41,450,497
		Over (Under) Collateralized	\$ -	\$ 21,089,383
	Other	UNM Foundation Money Market	\$ 502,795	\$ 502,795
UNM Foundation deposits held by UNM			\$ 24,615	\$ -
Total Cash and Cash Equiv. – UNM Foundation			\$ 42,601,024	\$ 41,593,526
Lobo Development				
Compass Bank	Checking	Business Checking	\$ 45,479	\$ 54,236
		Less FDIC Insurance		54,236
		Uninsured Public Funds	\$ -	-
	Other	Lobo Development deposits held by UNM	\$ 1,746,922	\$ -
Total Cash and Cash Equiv. – Lobo Development			\$ 1,792,401	\$ 54,236
Lobo Energy				
Compass Bank	Checking	Business Checking	\$ 37,136	\$ 37,136
		Less FDIC Insurance		37,136
		Uninsured Public Funds	\$ -	-
	Other	Lobo Energy deposits held by UNM	\$ 827,620	\$ -
Total Cash and Cash Equiv. – Lobo Energy			\$ 864,756	\$ 37,136
UNM Medical Group (UNMMG)				
Wells Fargo Bank	Checking	UNMMG Operating Account	\$ 23,609,335	\$ 24,127,453
		UNMMG Cancer Center	32,118	32,118
		UNMMG Truman RX	75,000	75,000
		UNMMG Savings	524,396	524,396
				\$ 24,240,849
		Less FDIC Insurance		607,118
		Uninsured Public Funds	\$ -	\$ 24,151,849
		Collateral Requirement (50%)	\$ -	\$ 12,075,925
		Fair Value of Collateral	\$ -	\$ 26,605,395
		Over (Under) Collateralized	\$ -	\$ 14,529,471
	Other	UNMMG Petty Cash	\$ 6,275	\$ 6,275
		UNMMG Money Market	\$ 462,848	\$ 462,848
Total Cash and Cash Equiv. – UNMMG			\$ 24,709,972	\$ 25,228,090
Component Units – Public Money Entities			\$ 69,968,153	\$ 66,912,988
Anderson Schools of Management Foundation			\$ 1,278,314	\$ 1,140,313
STC.UNM			1,264,973	1,493,573
UNM Lobo Club			3,807,185	197,813
UNM Alumni Association			985,800	865,105
Sandoval Regional Medical Center			19,037,787	14,655,907
Total			\$ 26,374,059	\$ 18,352,711
Component Units – Non-Public Money Entities			\$ 26,374,059	\$ 18,352,711
Total Component Units			\$ 96,342,212	\$ 85,265,699

* FDIC Insurance (If account is non-interest bearing transaction account, all deposits are covered per Dodd-Frank Insurance Provision)

See accompanying Independent Auditor's Report.

SCHEDULE 10

CUSIP Identification	Maturity Date	Type of Securities	Amount
UNM Medical Group***			
AR8932	3/1/2043	FN \$	1,392,146
AS0036	7/1/2043	FN	2,798,028
AJ1407	9/1/2041	FN	5,010,142
AB7585	1/1/2043	FN	1,121,594
AJ4744	12/1/2026	FN	1,618,140
AR2039	1/1/2043	FN	3,676,495
AB7817	2/1/2043	FN	1,701,447
AH6176	2/1/2041	FN	2,688,975
AE0313	9/1/2040	FN	1,786,227
AD6960	7/1/2040	FN	2,833,955
AU7868	9/1/2043	FN	1,978,246
			<u>\$ 26,605,395</u>

*** - Pledged collateral is held by Wells Fargo's trust departments or their agent in UNMGM's name

CUSIP Identification	Maturity Date	Type of Securities	Amount
UNM Foundation****			
31419AQ83	11/1/2040	FN-30 \$	3,612,965
3138Y9RH3	1/1/2045	FN-31	23,281,223
3138WAGS0	11/1/2043	FN-32	14,556,309
			<u>\$ 41,450,497</u>

**** - Pledged collateral is held by Wells Fargo's trust departments in UNM Foundation's name

THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2015 - Primary Institution

Individual Deposit Accounts

Name of Bank/Broker		Account Type	Balance per bank statement	Reconciled balance per books
Bank of America	General Depository	Checking	\$ 2,769,335	\$ -
	UNMH Operating Account	Checking	166,632,711	146,450,356
Los Alamos National Bank	Los Alamos Campus Depository	Checking	4,249	4,249
US Bank	General Depository	Checking	126,934,649	108,337,368
	Gallup Campus Depository	Checking	-	869
	Taos Education Center Depository	Checking	7,150	15,530
	Valencia Campus Depository	Checking	2,726	2,962
Other	UNM Petty Cash	Cash on Hand	-	154,250
	UNMH Petty Cash	Cash on Hand	-	40,483
	Component Unit deposits held by UNM		-	(3,766,310)
	Net non-depository cash and cash equivalents		-	6,969
Total Primary Institution – Cash			\$ 296,350,820	\$ 251,246,726

SCHEDULE 11

Individual Investment Accounts

Name of Bank/Broker	Account Type	Account Type	Balance per bank statement	Reconciled balance per books
Bank of Albuquerque	Bldg, Renewal & Replacement	Money Market	\$ 2,383	\$ 2,383
		Certificates of Deposit	1,600,507	1,600,507
	Retirement of Indebtedness	Cash	375,499	375,499
		U.S. Gov't Agencies	954,315	954,315
Fidelity Investments	ASM Endowment Account	Cash	13,010	13,010
		Money Market	2,594,524	2,594,524
Morgan Stanley	Operating Investment Account	Cash	96,656	96,656
		Money Market	11,474,483	11,474,483
		Money Market		
		U.S. Treasury Securities	87,473,920	87,473,920
		U.S. Gov't Agencies	52,677,979	52,677,979
		Corporate Bonds	120,122,237	120,122,237
		Municipal Bonds	16,922,084	16,922,084
	VEBA Trust Investment Account	Cash	1,503,597	1,503,597
		Money Market	259,310	259,310
		Certificates of Deposit	8,662,399	8,662,399
	UNMH Short Term Investment Accounts	Money Market	97,774	97,774
		U.S. Treasury Securities	25,703,596	25,703,596
		U.S. Gov't Agencies	8,756,699	8,756,699
Northern Trust	Primary Institution CIF	Money Market	7,356,619	7,356,619
		Mutual Funds - Fixed	70,090,153	70,090,153
		Mutual Funds - Equity	173,414,982	173,414,982
		Exchange Traded Funds	12,525,380	12,525,380
		Illiquid Real Assests	19,113,638	19,113,638
		Private Equity	42,210,748	42,210,748
		Marketable Alternatives	81,134,345	81,134,345
Wells Fargo	Bldg, Renewal & Replacement	Cash	51,228	51,228
		Money Market		
		U.S. Gov't Agencies	6,611,175	6,611,175
	Retirement of Indebtedness	Money Market	3,654,477	3,654,477
		U.S. Gov't Agencies	1,843,152	1,843,152
	UNMH Trust Accounts (Short term)	Money Market	930,653	930,653
	UNMH Trust Accounts (Long term)	Money Market	14,141,322	14,141,322
Investment in TLSC	UNMH Other Investments	Equity	4,831,831	4,831,831
Investment in TriWest		Equity	5,000,000	5,000,000
Investment in TRL (TriCore)		Equity	11,621,629	11,621,629
	Less: Foundation Interest in CIF		(188,958,673)	(188,958,673)
			\$ 604,863,631	\$ 604,863,631
Land Grant Permanent Fund	See Note Below		\$ 209,543,087	\$ 209,543,087
Total Primary Institution – Investments			\$ 814,406,718	\$ 814,406,718

Note: The University has an undivided interest in the State of New Mexico Land Grant Permanent Fund. For further detail for the types of investments held in the Land Grant Permanent Fund, please refer to the separately issued financial statements of the State Investment Council.

THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2015 - Component Units

Individual Deposit Accounts

Name of Bank/Broker	Account Type	Balance per bank statement	Reconciled balance per books
Component Units – Public Money Entities			
UNM Foundation			
Bank of America	Scholarship Fund	\$ 28,143	\$ 28,143
	Scholarship Trust	48,164	48,164
Nusenda Credit Union	General Fund	118,503	118,503
Southwest Securities	Charitable Trust Fund	22,310	22,310
UBS Financial Services	Endowed Chair	309,777	309,777
	Endowed Professorship	35,483	35,483
Wells Fargo	Development	3,751,608	4,770,443
	Irrevocable Trust Fund	58,918	58,918
	Operating	37,220,620	37,184,668
Other*	UNM Operating	-	24,615
		\$ 41,593,526	\$ 42,601,024
Lobo Development			
Compass Bank	Business Checking	\$ 54,236	\$ 45,479
Other*	UNM Operating	-	1,746,922
Total Lobo Development – Cash		\$ 54,236	\$ 1,792,401
Lobo Energy			
Compass Bank	Business Checking	\$ 37,136	\$ 37,136
Other*	UNM Operating	-	827,620
Total Lobo Energy – Cash		\$ 37,136	\$ 864,756
UNM Medical Group (UNMMG)			
Wells Fargo Bank	UNMMG Operating Accounting	\$ 24,234,571	\$ 23,716,453
		462,848	462,848
	UNMMG Petty Cash	6,275	6,275
	UNMMG Savings	524,396	524,396
Total UNMMG – Cash		\$ 25,228,090	\$ 24,709,972
Component Units – Public Money Entities		\$ 66,912,988	\$ 69,968,153
Anderson Schools of Management Foundation		\$ 1,140,313	\$ 1,278,314
STC.UNM		1,493,573	1,264,973
UNM Lobo Club		197,813	3,807,185
UNM Alumni Association		865,105	985,800
Sandoval Regional Medical Center		14,655,907	19,037,787
Component Units – Non-Public Money Entities		\$ 18,352,711	\$ 26,374,059
Total Component Units – Cash		\$ 85,265,699	\$ 96,342,212

* - Held by Primary Institution in General Depository Account

SCHEDULE 11

Individual Investment Accounts

Name of Bank/Broker	Account Type	Balance per bank statement	Reconciled balance per books	
Component Units – Public Money Entities				
UNM Foundation				
Bank of America	Scholarship Fund	Mutual Funds, Fixed	\$ 163,308	\$ 163,308
		Mutual Funds, Equity	457,940	457,940
	Scholarship Trust	Mutual Funds, Equity	837,999	837,999
		Mutual Funds, Fixed	293,769	293,769
		Real Estate	104,031	104,031
		Other	139,519	139,519
Morgan Stanley Smith Barney	Short Term Investments	Mutual Funds, Fixed	1,910,616	1,910,616
	Short Term Investments	Mutual Funds, Equity	3,643,513	3,643,513
	Short Term Investments	Other Bonds	3,304	3,304
Nusenda Credit Union	Operating Fund	Certificates of Deposit	1,007,725	1,007,725
Southwest Securities	Charitable Trust Fund	Mutual Funds, Equity	224,073	224,073
		Mutual Funds, Fixed	12,800	12,800
		Domestic Corporate Stock	235,266	235,266
UBS Financial Services	Endowed Chair	Municipal Bonds	2,783,767	2,783,767
		Other	22,667	22,667
	Endowed Professorship	Municipal Bonds	388,877	388,877
Wells Fargo	Charitable Trust Fund	Mutual Funds, fixed	315,068	315,068
		Mutual Funds, equity	1,137,078	1,137,078
		Other	219,878	219,878
		Real Estate	215,299	215,299
Other*	Endowments	Consolidated Investment Fund	188,958,673	188,958,673
Total UNM Foundation - Investments			\$ 203,075,170	\$ 203,075,170
UNMMG				
Morgan Stanley Smith Barney	UNMMG Investment Account	U.S. Gov't Obligations	\$ 11,055,533	\$ 11,055,533
		Corporate Bonds	5,786,942	5,786,942
			792,183	792,183
Total UNMMG – Investments			\$ 17,634,658	\$ 17,634,658
Component Units – Public Money Entities			\$ 220,709,828	\$ 220,709,828
Anderson Schools of Management Foundation			\$ 1,997,888	\$ 1,997,888
STC.UNM			637,162	648,216
UNM Alumni Association			8,195,696	8,195,696
Sandoval Regional Medical Center			5,404,485	5,404,485
Component Units – Non-Public Money Entities			\$ 16,235,231	\$ 16,246,285
Total Component Units – Investments			\$ 236,945,059	\$ 236,956,113

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
NONMAJOR PROGRAMS				
RESEARCH AND DEVELOPMENT CLUSTER				
Department of Agriculture				
Direct Awards				
Department of Agriculture	10.000		\$ -	\$ 84,685
Agricultural Research_Basic and Applied Research	10.001		-	949
Hispanic Serving Institutions Education Grants	10.223		-	32,322
Agriculture and Food Research Initiative (AFRI)	10.310		-	103,829
Foreign Agricultural Market Development and Promotion	10.600		-	29,085
		Total Department of Agriculture Direct Awards	-	250,870
Pass-Through Awards				
Agricultural Research_Basic and Applied Research	10.001	The Cadmus Group, Inc.	-	431,987
Biotechnology Risk Assessment Research	10.219	Biomedical Research Institute of New Mexico	-	18,203
Integrated Programs (B)	10.303	University of Nebraska	-	3,538
Agriculture and Food Research Initiative (AFRI)	10.310	New Mexico Consortium Inc	-	232,121
Agriculture and Food Research Initiative (AFRI)	10.310	University of Texas at El Paso	-	12,966
	10.310 subtotal		-	245,087
		Total Department of Agriculture Pass-Through Awards	-	698,815
		Total Department of Agriculture	-	949,685
Department of Commerce				
Direct Awards				
Regional Fishery Management Councils	11.441		-	79,172
		Total Department of Commerce Direct Awards	-	79,172
Pass-Through Awards				
Unallied Science Program	11.472	North Pacific Research Board	-	46,551
ARRA - State Broadband Data and Development Grant Program	11.558	New Mexico Department of Information Technology	-	362,078
		Total Department of Commerce Pass-Through Awards	-	408,629
		Total Department of Commerce	-	487,801
Department of Defense				
Direct Awards				
Department of Defense	12.000		833,713	2,264,205
Aquatic Plant Control	12.100		-	280,334
Basic and Applied Scientific Research	12.300		-	1,114,776
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		286,324	1,243,089
Military Medical Research and Development	12.420		-	1,117,258
Basic Scientific Research	12.431		135,762	851,005
Centers for Academic Excellence	12.598		-	426,938
Basic, Applied, and Advanced Research in Science and Engineering	12.630		-	445,990
Uniformed Services University Medical Research Projects	12.750		-	76,081
Air Force Defense Research Sciences Program	12.800		1,657,396	6,429,191
Research and Technology Development	12.910		-	407,534
		Total Department of Defense Direct Awards	2,913,195	14,656,401
Pass-Through Awards				
Department of Defense	12.000	Alion Science and Technology Corporation	-	5,763
Department of Defense	12.000	Applied Technology Associates	-	169,193
Department of Defense	12.000	Bechtel Marino Propulsion Corporation	-	31,328
Department of Defense	12.000	CFD Research Corporation	-	228,203
Department of Defense	12.000	Charles River Analytics, Inc.	67,148	541,031
Department of Defense	12.000	GE Global Research	-	90,282
Department of Defense	12.000	Glaxo Smith Kline	-	70,256
Department of Defense	12.000	Go Green Termite, Inc.	-	109,453
Department of Defense	12.000	High Performance Technologies Inc	-	51,826
Department of Defense	12.000	Honeywell Corporation	-	24,855
Department of Defense	12.000	International Business Machines Corporation	-	71,680
Department of Defense	12.000	Magnolia Optical Technologies	-	19,434
Department of Defense	12.000	Modus Operandi, Inc.	-	199,922
Department of Defense	12.000	North Wind Services, LLC	-	137,042
Department of Defense	12.000	Sandia National Laboratories	-	414,448
Department of Defense	12.000	State University of New York	-	3,931
Department of Defense	12.000	USU Research Foundation (Utah State University)	-	112,348
	12.000 subtotal		67,148	2,280,995
Aquatic Plant Control	12.100	TechFlow Scientific	-	2,663
Basic and Applied Scientific Research	12.300	ASR Corporation	-	6,338
Basic and Applied Scientific Research	12.300	Colorado State University	-	(161)

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 12

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Basic and Applied Scientific Research	12.300	Rector & Visitors of the University of Virginia	-	5,254
Basic and Applied Scientific Research	12.300	University of Utah	-	411,704
	12.300	subtotal	-	423,135
Navy Command, Control, Communications, Computers, Intelligence,	12.335	Modus Operandi, Inc.	-	71,559
Basic Scientific Research	12.431	BAE Systems	147,865	285,605
Basic Scientific Research	12.431	Raytheon BBN Technologies Corp	-	55,110
Basic Scientific Research	12.431	University of Central Florida	-	375,251
Basic Scientific Research	12.431	University of Texas - Brownsville	-	29,860
	12.431	subtotal	147,865	745,826
Research and Technical Assistance	12.615	New Mexico Institute of Mining and Technology	-	60,913
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Institute of American Indian Arts	-	101,698
Air Force Defense Research Sciences Program	12.800	Applied Technology Associates	-	103,752
Air Force Defense Research Sciences Program	12.800	California Institute of Technology	-	81,724
Air Force Defense Research Sciences Program	12.800	Columbia University	-	268,967
Air Force Defense Research Sciences Program	12.800	Kansas State University	-	114,080
Air Force Defense Research Sciences Program	12.800	Leidos Inc	-	50,607
Air Force Defense Research Sciences Program	12.800	Scientific Simulation Systems, INC	-	9,301
Air Force Defense Research Sciences Program	12.800	Tau Technologies LLC	-	53,195
Air Force Defense Research Sciences Program	12.800	Thermo Dynamic Films	-	202,877
Air Force Defense Research Sciences Program	12.800	University of Arizona	-	43,613
Air Force Defense Research Sciences Program	12.800	University of Texas at El Paso	-	122,108
	12.800	subtotal	-	1,050,224
Research and Technology Development	12.910	Applied Technology Associates	-	49,198
Research and Technology Development	12.910	Thermo Dynamic Films	-	58,332
	12.910	subtotal	-	107,530
		Total Department of Defense Pass-Through Awards	215,013	4,844,543
		Total Department of Defense	3,128,208	19,500,944
Department of Housing and Urban Development				
Pass-Through Awards				
Department of Housing and Urban Development	14.000	University of Louisville	-	23,812
		Total Department of Housing and Urban Development Pass-Through Awards	-	23,812
		Total Department of Housing and Urban Development	-	23,812
Department of the Interior				
Direct Awards				
Department of the Interior	15.000		-	165,505
Cultural Resource Management	15.224		-	12,075
Fish, Wildlife and Plant Conservation Resource Mangement	15.231		30,916	164,114
Environmental Quality and Protection Resource Management	15.236		-	24,085
National Park Service Centennial Challenge.	15.406		-	37,588
Fish and Wildlife Coordination Act	15.517		-	4,462
Upper Colorado and San Juan River Basins Endangered Fish Recove	15.529		-	98,617
Middle Rio Grande Endangered Species Collaborative Program	15.537		-	19,393
Lower Colorado River Multi-Species Conservation Program.	15.538		-	137,674
Fish and Wildlife Management Assistance	15.608		-	5,737
Endangered Species Conservation Recovery	15.657		-	9,985
Geological Survey Research and Data Acquisition	15.808		-	342,355
Cooperative Research and Training Programs - Resources of the Nati	15.945		13,201	490,390
National Park Service Conservation, Protection, Outreach and Educat	15.954		-	13,471
		Total Department of the Interior Direct Awards	44,117	1,525,451
Pass-Through Awards				
Cultural Resource Management	15.224	NatureServe	-	2,701
Wildland Fire Research and Studies Program	15.232	Fort Stanton Cave Study Project	-	2,412
Lower Colorado River Multi-Species Conservation Program.	15.538	Wayne State University	-	560
Cooperative Endangered Species Conservation Fund	15.615	New Mexico Energy Minerals and Natural Resources I	-	4,461
State Wildlife Grants	15.634	New Mexico Game and Fish Department	-	124,436
Assistance to State Water Resources Research Institutes	15.805	New Mexico Water Resources Research Institute	-	3,790
Geological Survey Research and Data Acquisition	15.808	New Mexico Department of Information Technology	-	3,776
Cooperative Research Units Program (B)	15.812	New Mexico State University	-	7,320
		Total Department of the Interior Pass-Through Awards	-	149,456
		Total Department of the Interior	44,117	1,674,907

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 12

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Department of Justice				
Direct Awards				
Department of Justice	16.000		-	3,749
Criminal Justice Statistics Development	16.550		-	63,429
Justice Research Development and Evaluation Project	16.560		-	438,474
		Total Department of Justice Direct Awards	-	505,652
Pass-Through Awards				
Department of Justice	16.000	Harris County Institute of Forensic Sciences	-	605
Department of Justice	16.000	Santa Clara Indian Pueblo	-	35,645
	16.000	subtotal	-	36,250
Justice Research Development and Evaluation Project	16.560	New Mexico Public Safety Department	-	11,383
Project Safe Neighborhoods	16.609	St. Bonaventure Indian Mission and School	-	2,284
PREA Program: Demonstration Projects to Establish "Zero Tolerant	16.735	Bernalillo County	-	22,314
		Total Department of Justice Pass-Through Awards	-	72,231
		Total Department of Justice	-	577,883
Department of Labor				
Pass-Through Awards				
YOUTHBUILD	17.274	Santa Fe Community College	-	(30)
		Total Department of Labor Pass-Through Awards	-	(30)
		Total Department of Labor	-	(30)
Department of Transportation				
Direct Awards				
Department of Transportation	20.000		30,129	114,975
Aviation Research Grants	20.108		-	54,245
		Total Department of Transportation Direct Awards	30,129	169,220
Pass-Through Awards				
Department of Transportation	20.000	Ecosystems Management, Inc.	-	65,481
Department of Transportation	20.000	New Mexico Department of Transportation	-	1,462,336
	20.000	subtotal	-	1,527,817
Highway Research and Development Program (B)	20.200	New Mexico Department of Transportation	-	24,352
State and Community Highway Safety	20.600	New Mexico Department of Transportation	-	143,821
National Highway Traffic Safety Administration (NHTSA) Discretionary	20.614	New Mexico Department of Transportation	-	98,157
Pipeline Safety Program State Base Grant	20.700	University of Nevada System	-	95,708
University Transportation Centers Program	20.701	University of Oklahoma	-	76,783
		Total Department of Transportation Pass-Through Awards	-	1,966,638
		Total Department of Transportation	30,129	2,135,858
National Aeronautics & Space Administration				
Direct Awards				
Aerospace Education Services Program	43.001		54,086	2,401,888
Technology Transfer	43.002		-	7,033
Space Operations	43.007		68,395	128,589
Education	43.008		-	5,031
		Total National Aeronautics & Space Administration Direct Awards	122,481	2,542,541
Pass-Through Awards				
National Aeronautics and Space Administration	43.000	Jet Propulsion Lab	-	226,761
National Aeronautics and Space Administration	43.000	New Mexico State University	-	97,167
National Aeronautics and Space Administration	43.000	University of California Los Angeles	-	7,520
	43.000	subtotal	-	331,448
Aerospace Education Services Program	43.001	Atmospheric & Space Technology Research Associate	-	832
Aerospace Education Services Program	43.001	Smithsonian Astrophysical Observatory	-	45,145
Aerospace Education Services Program	43.001	University of Maryland	-	124,998
	43.001	subtotal	-	170,975
		Total National Aeronautics & Space Administration Pass-Through Awards	-	502,423
		Total National Aeronautics & Space Administration	122,481	3,044,964
National Foundation on the Arts & Humanities				
Direct Awards				
Promotion of the Arts_Grants to Organizations and Individuals	45.024		-	11,569
Promotion of the Humanities_Research	45.161		-	4,898
Promotion of the Humanities_Professional Development	45.163		-	7,326
		Total National Foundation on the Arts & Humanities Direct Awards	-	23,793
Pass-Through Awards				
Promotion of the Arts_Grants to Organizations and Individuals	45.024	Rutgers University	-	4,983
		Total National Foundation on the Arts & Humanities Pass-Through Awards	-	4,983
		Total National Foundation on the Arts & Humanities	-	28,776

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
National Science Foundation				
Direct Awards				
Engineering Grants	47.041		28,477	1,214,384
Mathematical and Physical Sciences	47.049		134,661	4,025,301
Geosciences	47.050		129,455	1,200,239
Computer and Information Science and Engineering	47.070		1,226,665	4,052,510
Biological Sciences	47.074		128,213	5,079,303
Social Behavioral and Economic Sciences	47.075		-	330,660
Education and Human Resources	47.076		128,197	3,128,582
Polar Programs	47.078		-	230,675
International Science and Engineering (OISE) (B)	47.079		63,791	809,242
Office of Cyberinfrastructure (B)	47.080		3,862,578	7,322,361
ARRA - Trans-NSF Recovery Act Research Support	47.082		27,031	27,031
Total National Science Foundation Direct Awards			5,729,068	27,420,288
Pass-Through Awards				
National Science Foundation	47.000	National Ecological Observatory Network	-	(660)
Engineering Grants	47.041	Arizona State University	-	186,885
Engineering Grants	47.041	Iowa State University	-	124,688
Engineering Grants	47.041	Regents of the University of California	-	14,015
Engineering Grants	47.041	Rensselaer Polytechnic Institute	-	701,199
Engineering Grants	47.041	University of Texas Austin	-	518,362
47.041 subtotal			-	1,545,149
Mathematical and Physical Sciences	47.049	Associated Universities Inc	-	21,050
Mathematical and Physical Sciences	47.049	University of California Santa Cruz	-	602
47.049 subtotal			-	21,652
Geosciences	47.050	Consortium for Ocean Leadership	-	14,393
Geosciences	47.050	University of Arizona	-	14,734
Geosciences	47.050	University of South Florida	-	22,670
47.050 subtotal			-	51,797
Biological Sciences	47.074	Northern Arizona University	-	34,961
Biological Sciences	47.074	Ohio State University	-	59,178
Biological Sciences	47.074	University of California Los Angeles	-	153,497
	47.074	University of Puerto Rico	-	24,136
47.074 subtotal			-	271,772
Social Behavioral and Economic Sciences	47.075	Gallaudet University	-	(450)
Social Behavioral and Economic Sciences	47.075	New Mexico State University	-	1,859
47.075 subtotal			-	1,409
Education and Human Resources	47.076	Biological Sciences Curriculum Study	-	35,710
Education and Human Resources	47.076	Ideum Inc	-	1,944
Education and Human Resources	47.076	JF Drake State Technical College	-	74,086
Education and Human Resources	47.076	Michigan State University	-	2,101
Education and Human Resources	47.076	New Mexico State University	-	62,315
Education and Human Resources	47.076	Tennessee Technological University	-	2,630
47.076 subtotal			-	178,786
Polar Programs	47.078	University of Colorado	-	162,199
Office of Cyberinfrastructure (B)	47.080	University of California, Santa Barbara	-	(6)
Total National Science Foundation Pass-Through Awards			-	2,232,098
Total National Science Foundation			5,729,068	29,652,386
Department of Veterans Affairs				
Direct Awards				
Department of Veterans Affairs	64.000		-	427,467
Total Department of Veterans Affairs Direct Awards			-	427,467
Pass-Through Awards				
Department of Veterans Affairs	64.000	Biomedical Research Institute of New Mexico	-	2,228
Total Department of Veterans Affairs Pass-Through Awards			-	2,228
Total Department of Veterans Affairs			-	429,695
Environmental Protection Agency				
Pass-Through Awards				
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	-	84,395
Science To Achieve Results (STAR) Research Program	66.509	University of Washington	-	59,763
Total Environmental Protection Agency Pass-Through Awards			-	144,158
Total Environmental Protection Agency			-	144,158

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Nuclear Regulatory Commission				
Direct Awards				
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Pr 77.008			-	136,325
		Total Nuclear Regulatory Commission Direct Awards	-	136,325
		Total Nuclear Regulatory Commission	-	136,325
Department of Energy				
Direct Awards				
Basic Energy Sciences University and Science Education	81.049		111,436	2,122,363
Renewable Energy Research and Development	81.087		-	22,780
Fossil Energy Research and Development	81.089		-	214,974
Inertial Fusion Science_Support of Stockpile Stewardship	81.112		-	185,748
Defense Nuclear Nonproliferation Research (B)	81.113		10,995	230,377
Nuclear Energy Research, Development and Demonstration	81.121		-	539,842
		Total Department of Energy Direct Awards	122,431	3,316,084
Pass-Through Awards				
Department of Energy	81.000	Battelle Memorial Institute	-	228,872
Department of Energy	81.000	Brookhaven Science Associates LLC	-	192,380
Department of Energy	81.000	Honeywell Corporation	-	15,463
Department of Energy	81.000	Lawrence Berkeley National Laboratory	-	16,076
Department of Energy	81.000	Los Alamos National Laboratory	59,556	443,372
Department of Energy	81.000	Los Alamos National Security, LLC	-	751,866
Department of Energy	81.000	MIND Research Network	-	180,377
Department of Energy	81.000	Sandia National Laboratories	-	1,903,040
Department of Energy	81.000	University of California Berkley	-	15,690
	81.000	subtotal	59,556	3,747,136
Basic Energy Sciences University and Science Education	81.049	Johns Hopkins University	-	7,885
Basic Energy Sciences University and Science Education	81.049	Lawrence Berkeley National Laboratory	-	245,424
Basic Energy Sciences University and Science Education	81.049	RNET Technologies, Inc.	-	45,355
Basic Energy Sciences University and Science Education	81.049	Southwest Sciences	-	113,263
Basic Energy Sciences University and Science Education	81.049	Washington University	-	113,305
	81.049	subtotal	-	525,232
Office of Scientific and Technical Information	81.064	Los Alamos National Laboratory	-	(7,511)
Renewable Energy Research and Development	81.087	Northeastern University	-	319,050
Energy Efficiency and Renewable Energy Information Dissemination	81.117	Ballard Power Systems Inc.	-	14,899
ARRA - Electricity Delivery and Energy Reliability, Research, Devel	81.122	Public Service Company of NM	-	2,725
National Nuclear Security Administration (NNSA) Minority Serving	81.123	Los Alamos National Laboratory	27,000	106,841
		Total Department of Energy Pass-Through Awards	86,556	4,708,372
		Total Department of Energy	208,987	8,024,456
Department of Education				
Direct Awards				
TRIO Upward Bound	84.047		-	238,953
Graduate Assistance in Areas of National Need	84.200		-	166,033
		Total Department of Education Direct Awards	-	404,986
Pass-Through Awards				
Fund for the Improvement of Postsecondary Education	84.116	New Mexico State University	-	8,487
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	-	45,185
ARRA - State Fiscal Stabilization Fund (SFSF) - Investing in Innovat	84.396	Utah State University	-	134,802
Race to the Top - Early Learning Challenge	84.412	New Mexico Children Youth and Family Department	573,502	1,305,761
Race to the Top - Early Learning Challenge	84.412	New Mexico Department of Health	-	29,681
	84.412	subtotal	573,502	1,335,442
		Total Department of Education Pass-Through Awards	573,502	1,523,916
		Total Department of Education	573,502	1,928,902
United States Institute of Peace				
Direct Awards				
Annual Grant Competition	91.001		-	2,681
		Total United States Institute of Peace Direct Awards	-	2,681
		Total United States Institute of Peace	-	2,681
Department of Health & Human Services				
Direct Awards				
Department of Health & Human Services	93.000		507,909	3,122,744
Maternal and Child Health Federal Consolidated Programs	93.110		39,441	1,168,599
Biological Response to Environmental Health Hazards	93.113		241,540	1,890,482
Oral Diseases and Disorders Research	93.121		-	777,897
Emergency Medical Services for Children	93.127		-	211,620
Centers for Research and Demonstration for Health	93.135		-	464,583
HIV Demonstration Program for Children Adolescents and	93.153		-	502,742
Health Program for Toxic Substances and Disease Registry	93.161		275,660	1,296,608

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Human Genome Research	93.172		-	196,484
Research Related to Deafness and Communication Disorders	93.173		-	53,544
Research and Training in Alternative Medicine	93.213		224,597	890,738
Health Services Research and Development Grants	93.226		89,371	606,032
Mental Health Research Grants	93.242		234,193	1,152,528
Substance Abuse and Mental Health Services-Projects of Regional an	93.243		-	1,167
Occupational Safety and Health Program	93.262		-	215,810
Adult Viral Hepatitis Prevention and Control	93.270		-	94,063
Alcohol Research Programs	93.273		426,999	5,993,259
Drug Abuse and Addiction Research Programs	93.279		1,349,903	4,243,211
Discovery and Applied Research for Technological Innovations to Im	93.286		(864)	258,249
Minority Health and Health Disparities Research	93.307		34,312	1,800,325
NIH Roadmap Initiative	93.310		201,468	1,531,278
National Center for Advancing Translational Sciences	93.350		-	3,462,594
Research Infrastructure Programs	93.351		-	598,900
Advanced Education Nursing Traineeships	93.358		-	350,000
Nursing Research	93.361		335,381	701,131
Cancer Cause and Prevention Research	93.393		454,486	1,692,239
Cancer Detection and Diagnosis Research	93.394		20,992	865,340
Cancer Treatment Research	93.395		-	1,327,386
Cancer Biology Research	93.396		-	1,037,168
Cancer Centers Support	93.397		343,874	3,525,138
Cancer Research Manpower	93.398		-	609,413
Cancer Control	93.399		-	(42,158)
Health Promotion and Disease Prevention Research Centers: PPHF -	93.542		1,423	279,921
Health Care Innovation Awards (HCIA)	93.610		98,064	3,813,317
Cardiovascular Diseases Research	93.837		211,554	2,027,181
Lung Diseases Research	93.838		-	460,295
Blood Diseases and Resources Research	93.839		-	63,984
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		217,168	1,062,733
Clinical Research Related to Neurological Disorders	93.853		135,740	2,900,633
Allergy Immunology and Transplantation Research	93.855		845,459	6,735,910
Pharmacology Physiology and Biological Chemistry	93.859		753,475	8,822,496
Child Health and Human Development Extramural Research	93.865		226,280	1,077,839
Aging Research	93.866		34,489	274,647
Vision Research	93.867		-	860,453
Research and Demonstration Projects for Indian Health	93.933		-	72,314
International Research and Research Training	93.989		167,400	282,641
Total Department of Health & Human Services Direct Awards			7,470,314	69,333,478
Pass-Through Awards				
ARRA - Department of Health & Human Services	93.000	Feinstein Institute for Medical Research	-	(15,191)
ARRA - Department of Health & Human Services	93.000	Leidos Inc	-	(37,095)
Cancer Cause and Prevention Research	93.000	Georgetown University	-	850
Department of Health & Human Services	93.000	Albuquerque Area Indian Health Board Inc	-	3,010
Department of Health & Human Services	93.000	Baystate Medical Center	-	164,537
Department of Health & Human Services	93.000	Biomedical Research Institute of New Mexico	-	(3,743)
Department of Health & Human Services	93.000	Children's Hospital of Philadelphia	-	12,851
Department of Health & Human Services	93.000	Duke University	-	304
Department of Health & Human Services	93.000	Dystonia Coalition	-	165
Department of Health & Human Services	93.000	East Central Ministries	-	2,416
Department of Health & Human Services	93.000	Emory University	-	3,684
Department of Health & Human Services	93.000	Family Service Agency of San Francisco	-	220,026
Department of Health & Human Services	93.000	Feinstein Institute for Medical Research	-	9,071
Department of Health & Human Services	93.000	Feinstein Kean Healthcare	-	10,222
Department of Health & Human Services	93.000	Hidalgo Medical Services Center for Health Innovatio	-	10,663
Department of Health & Human Services	93.000	Leidos Inc	-	703,146
Department of Health & Human Services	93.000	Miners Colfax Medical Center	-	557
Department of Health & Human Services	93.000	National Congress of American Indians	-	(678)
Department of Health & Human Services	93.000	Native American Professional Parent Resources Inc	-	27,538
Department of Health & Human Services	93.000	New Mexico Medical Review Association	-	8,642
Department of Health & Human Services	93.000	New Mexico State University	-	(13,321)
Department of Health & Human Services	93.000	NM Public Education Department	-	30,679
Department of Health & Human Services	93.000	Patient Centered Outcomes Research Institute	321,671	910,321
Department of Health & Human Services	93.000	Pulmokine Inc.	-	13,555
Department of Health & Human Services	93.000	Regents of the University of California	-	2,742
Department of Health & Human Services	93.000	Spirit of Eagles	-	625
Department of Health & Human Services	93.000	St. Jude Children's Research Hospital	-	(50)
Department of Health & Human Services	93.000	Synergy Enterprises Inc	-	215
Department of Health & Human Services	93.000	The Colorado Foundation for Public Health & the Env	-	14,623
Department of Health & Human Services	93.000	The EMMES Corporation	-	105,105
Department of Health & Human Services	93.000	University of California San Francisco	-	78,674
Department of Health & Human Services	93.000	University of Colorado	-	57,586
Department of Health & Human Services	93.000	University of Utah	-	(3,116)

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Department of Health & Human Services	93.000	University of Washington	-	101,531
Kidney Diseases Urology and Hematology Research	93.000	The Children's Mercy Hospital	-	4,106
Research and Demonstration Projects for Indian Health	93.000	National Congress of American Indians	-	22,901
	93.000 subtotal		321,671	2,447,151
Laboratory Leadership, Workforce Training and Management Development	93.065	Association of Public Health Laboratories	-	9,933
Global AIDS (B)	93.067	Elizabeth Glaser Pediatric AIDS Foundation	-	106,991
Public Health Emergency Preparedness	93.069	New Mexico Department of Health	-	24,011
Environmental Public Health and Emergency Response	93.070	New Mexico Department of Health	-	131,258
Comprehensive Community Mental Health Services for	93.104	New Mexico Children Youth and Family Department	-	404,932
Maternal and Child Health Federal Consolidated Programs	93.110	New Mexico Department of Health	-	245,843
Maternal and Child Health Federal Consolidated Programs	93.110	Oregon Health & Science University	-	33,861
Maternal and Child Health Federal Consolidated Programs	93.110	The American Academy of Pediatrics	-	243,168
Maternal and Child Health Federal Consolidated Programs	93.110	University of California Los Angeles	-	6,883
	93.110 subtotal		-	529,755
Biological Response to Environmental Health Hazards	93.113	University of California Los Angeles	-	41,430
Biological Response to Environmental Health Hazards	93.113	University of Montana Rural Institute	-	78,151
Biological Response to Environmental Health Hazards	93.113	University of Southern Maine	-	60,240
Biological Response to Environmental Health Hazards	93.113	University of Texas at El Paso	-	51,239
	93.113 subtotal		-	231,060
Oral Diseases and Disorders Research	93.121	Boston University	-	25,638
Injury Prevention and Control Research and State Grants	93.136	New Mexico Department of Health	-	91,456
National AIDS Education and Training Centers	93.145	University of Colorado	-	194,125
Human Genome Research	93.172	Harvard University	-	400,739
Human Genome Research	93.172	Redondo Optics Inc	-	5,997
	93.172 subtotal		-	406,736
Disabilities Prevention	93.184	University of Colorado	-	40,607
Research and Training in Alternative Medicine	93.213	Oregon Research Institute	-	2,749
Epidemiology Cooperative Agreements	93.231	New Mexico Department of Health	-	(21,919)
Mental Health Research Grants	93.242	Georgia State University	-	37,381
Mental Health Research Grants	93.242	MIND Research Network	-	75,716
	93.242 subtotal		-	113,097
Substance Abuse and Mental Health Services-Projects of Regional and State	93.243	New Mexico Department of Health	-	1,178
Substance Abuse and Mental Health Services-Projects of Regional and State	93.243	New Mexico Human Services Department	-	181,785
Substance Abuse and Mental Health Services-Projects of Regional and State	93.243	OptumHealth New Mexico	-	167,728
Substance Abuse and Mental Health Services-Projects of Regional and State	93.243	Pueblo of San Felipe	-	195,999
	93.243 subtotal		-	546,690
Family Planning Personnel Training	93.260	National Association of Chronic Disease Directors	-	14,040
Occupational Safety and Health Program	93.262	University of Texas Health Center at Tyler	-	97,295
Alcohol Research Programs	93.273	MIND Research Network	-	42,833
Alcohol Research Programs	93.273	Pacific Institute for Research & Evaluation	-	104,433
Alcohol Research Programs	93.273	Portland State University	-	3,270
Alcohol Research Programs	93.273	University of North Carolina	31,556	1,047,061
Alcohol Research Programs	93.273	University of Washington	-	1,319
	93.273 subtotal		31,556	1,198,916
Drug Abuse and Addiction Research Programs	93.279	Dartmouth College	-	9,458
Drug Abuse and Addiction Research Programs	93.279	MIND Research Network	-	33,483
Drug Abuse and Addiction Research Programs	93.279	OptumHealth New Mexico	3,864	83,460
Drug Abuse and Addiction Research Programs	93.279	Rutgers University	-	2,169
Drug Abuse and Addiction Research Programs	93.279	University of California Los Angeles	-	270,820
Drug Abuse and Addiction Research Programs	93.279	University of California San Francisco	-	31,977
	93.279 subtotal		3,864	431,367
The Affordable Care Act: Centers for Disease Control and Prevention	93.283	New Mexico Department of Health	-	8,822
The Affordable Care Act: Centers for Disease Control and Prevention	93.283	University of California Los Angeles	-	16,312
	93.283 subtotal		-	25,134
Discovery and Applied Research for Technological Innovations to Improve Health	93.286	Boston University	-	75,224
Minority Health and Health Disparities Research	93.307	Association of American Medical Colleges	-	119,730
NIH Roadmap Initiative	93.310	Carnegie Mellon University	-	36,579
National Center for Advancing Translational Sciences	93.350	Trustees of Dartmouth College	-	119,873
Nurse Education, Practice Quality and Retention Grants	93.359	El Pueblo Health Services Inc	-	281,861

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Cancer Cause and Prevention Research	93.393	Georgetown University	-	6,247
Cancer Cause and Prevention Research	93.393	Group Health Cooperative	-	34,654
Cancer Cause and Prevention Research	93.393	Klein Buendel Inc	-	93,757
Cancer Cause and Prevention Research	93.393	Lawrence Berkeley National Laboratory	-	85,772
Cancer Cause and Prevention Research	93.393	Sloan Kettering Institute for Cancer Research	-	6,381
Cancer Cause and Prevention Research	93.393	University of North Carolina at Chapel Hill	-	67,017
Cancer Cause and Prevention Research	93.393	University of South Carolina	-	49,398
Cancer Cause and Prevention Research	93.393	Virginia Commonwealth University	-	111,731
	93.393	subtotal	-	454,957
Cancer Detection and Diagnosis Research	93.394	Fred Hutchinson Cancer Research Center	-	29,617
Cancer Detection and Diagnosis Research	93.394	Lovelace Biomedical & Environmental Research Inst	-	4,802
Cancer Detection and Diagnosis Research	93.394	Lovelace Respiratory Research Institute	-	45,044
Cancer Detection and Diagnosis Research	93.394	Memorial Sloan Kettering Cancer Center	-	151,245
Cancer Detection and Diagnosis Research	93.394	Regents of the University of Minnesota	-	10,351
Cancer Detection and Diagnosis Research	93.394	University of Colorado	-	6,241
Cancer Detection and Diagnosis Research	93.394	William Marsh Rice University	-	56,099
	93.394	subtotal	-	303,399
Cancer Treatment Research	93.395	Children's Hospital of Philadelphia	-	18,587
Cancer Treatment Research	93.395	Gynecologic Oncology Group	-	(189)
Cancer Treatment Research	93.395	Montefiore Medical Center	-	25,631
Cancer Treatment Research	93.395	New Mexico Cancer Care Alliance	-	2,444
Cancer Treatment Research	93.395	North Central Cancer Treatment Group	-	359
Cancer Treatment Research	93.395	University of Utah	-	10,022
Cancer Treatment Research	93.395	Washington University	-	259,705
	93.395	subtotal	-	316,559
Cancer Centers Support	93.397	Methodist Hospital Research Institute	-	128,639
Cancer Centers Support	93.397	University of Southern California	-	7,779
Cancer Centers Support	93.397	University of Texas HSC Houston	-	16,263
	93.397	subtotal	-	152,681
Cancer Control	93.399	Fred Hutchinson Cancer Research Center	-	221,301
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood H	93.505	New Mexico Children Youth and Family Department	19,435	441,913
Affordable Care Act (ACA) Tribal Maternal, Infant, and Early Childt	93.508	Pueblo of San Felipe	-	60,616
Child Care Mandatory and Matching Funds of the Child Care and De	93.596	New Mexico Children Youth and Family Department	-	59,197
Health Care Innovation Awards (HClA)	93.610	Feinstein Institute for Medical Research	-	82,319
PPHF: Racial and Ethnic Approaches to Community Health Program	93.738	Presbyterian Healthcare Services	-	16,050
Preventive Health and Health Services Block Grant funded solely wit	93.758	New Mexico Department of Health	-	51,417
Cardiovascular Diseases Research	93.837	Exhalix, LLC	-	21,807
Cardiovascular Diseases Research	93.837	National Jewish Health	-	42,919
Cardiovascular Diseases Research	93.837	University of Texas at El Paso	-	22,482
Cardiovascular Diseases Research	93.837	University of Texas Austin	-	41,506
Cardiovascular Diseases Research	93.837	University of Wisconsin	-	24,597
	93.837	subtotal	-	153,311
Blood Diseases and Resources Research	93.839	New Mexico Cancer Care Alliance	-	1,655
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Case Western Reserve University	-	154,933
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Childrens National Medical Center	-	10,961
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	George Washington University	-	588,246
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Rosalind Franklin University of Medicine Science	-	16,841
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Texas Medical Branch	-	27,233
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Utah	-	11,926
	93.847	subtotal	-	810,140
Kidney Diseases Urology and Hematology Research	93.849	The Children's Mercy Hospital	-	22,038
Clinical Research Related to Neurological Disorders	93.853	Boston Children's Hospital	-	38,922
Clinical Research Related to Neurological Disorders	93.853	Johns Hopkins University	-	60,863
Clinical Research Related to Neurological Disorders	93.853	Oregon Health & Science University	-	38,000
Clinical Research Related to Neurological Disorders	93.853	Regents of the University of California	-	213,833
Clinical Research Related to Neurological Disorders	93.853	Regents of the University of Minnesota	-	23,452
Clinical Research Related to Neurological Disorders	93.853	University of Arizona	-	40,434
Clinical Research Related to Neurological Disorders	93.853	University of Cincinnati	-	42,839
Clinical Research Related to Neurological Disorders	93.853	University of Rochester	-	9,443
Clinical Research Related to Neurological Disorders	93.853	University of Washington	-	77,771
Clinical Research Related to Neurological Disorders	93.853	VisionQuest Biomedical, LLC	-	4,315
Clinical Research Related to Neurological Disorders	93.853	Yale University	-	36
	93.853	subtotal	-	549,908
Allergy Immunology and Transplantation Research	93.855	Boston University	-	77,390
Allergy Immunology and Transplantation Research	93.855	Los Alamos National Laboratory	-	128,465
Allergy Immunology and Transplantation Research	93.855	President and Fellows of Harvard College	-	30,551

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Allergy Immunology and Transplantation Research	93.855	Regents of the University of California	-	39
Allergy Immunology and Transplantation Research	93.855	State University of New York	-	(1,351)
Allergy Immunology and Transplantation Research	93.855	University of Maryland	-	78,736
Allergy Immunology and Transplantation Research	93.855	University of Michigan	-	1,013
Allergy Immunology and Transplantation Research	93.855	University of San Francisco	-	353
	93.855	subtotal	-	315,196
Microbiology and Infectious Diseases Research	93.856	University of Notre Dame	-	62,573
Pharmacology Physiology and Biological Chemistry	93.859	Boston University	-	230,932
Pharmacology Physiology and Biological Chemistry	93.859	General Hospital Corp	-	12,162
Pharmacology Physiology and Biological Chemistry	93.859	Louisiana State University	-	65,888
Pharmacology Physiology and Biological Chemistry	93.859	MIND Research Network	-	680,188
Pharmacology Physiology and Biological Chemistry	93.859	New Mexico State University	-	836,234
Pharmacology Physiology and Biological Chemistry	93.859	The Board of Trustees of the University of Illinois	-	21,716
Pharmacology Physiology and Biological Chemistry	93.859	Univ of Nevada Las Vegas	402,300	760,188
Pharmacology Physiology and Biological Chemistry	93.859	University of Texas HSC Houston	-	23,078
	93.859	subtotal	402,300	2,630,386
Child Health and Human Development Extramural Research	93.865	Brown University	-	143
Child Health and Human Development Extramural Research	93.865	Research Triangle Institute	-	48,391
Child Health and Human Development Extramural Research	93.865	RTI International	-	96,078
	93.865	subtotal	-	144,612
Aging Research	93.866	Biomedical Research Institute of New Mexico	-	(1,383)
Aging Research	93.866	Cornell University	-	40,047
Aging Research	93.866	University of California, Santa Barbara	-	521,759
	93.866	subtotal	-	560,423
Vision Research	93.867	Jaeb Center for Health Research, Inc.	-	43,588
Rural Health Care Services Outreach, Rural Health Network Develop	93.912	National Center for Frontier Communities	-	13,290
HIV Care Formula Grants	93.917	New Mexico Department of Health	-	36,560
Research and Demonstration Projects for Indian Health	93.933	Black Hills Center for American Indian Health	29,119	110,848
Research and Demonstration Projects for Indian Health	93.933	National Congress of American Indians	-	75,861
	93.933	subtotal	29,119	186,709
Cooperative Agreements to Support State-Based Infant	93.946	New Mexico Department of Health	-	18,089
Block Grants for Prevention and Treatment of Substance	93.959	New Mexico Human Services Department	-	170,514
Block Grants for Prevention and Treatment of Substance	93.959	OptumHealth New Mexico	-	13,229
	93.959	subtotal	-	183,743
Preventive Health and Health Services Block Grant	93.991	New Mexico Department of Health	-	13,156
		Total Department of Health & Human Services Pass-Through Awards	807,945	15,590,075
		Total Department of Health & Human Services	8,278,259	84,923,553
Department of Homeland Security				
Pass-Through Awards				
Hazard Mitigation Grant	97.039	New Mexico Department of Homeland Security	-	7,386
Cooperating Technical Partners	97.045	New Mexico Department of Homeland Security	-	65,111
		Total Department of Homeland Security Pass-Through Awards	-	72,497
		Total Department of Homeland Security	-	72,497
United States Agency for International Development				
Pass-Through Awards				
USAID Development Partnerships for University Cooperation and D	98.012	University of California-Davis	-	15,251
		Total United States Agency for International Development Pass-Through Awards	-	15,251
		Total United States Agency for International Development	-	15,251
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			18,114,751	153,754,504
STUDENT FINANCIAL ASSISTANCE CLUSTER				
Department of Education				
Direct Awards				
Federal Supplemental Educational Opportunity Grants	84.007		-	796,659
Federal Work-Study Program	84.033		-	2,419,793
Federal Pell Grant Program	84.063		-	50,691,119
Teacher Education Assistance for College and Higher Education	84.379		-	348,016
		Total Department of Education Direct Awards	-	54,255,587
		Total Department of Education	-	54,255,587

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Department of Health & Human Services				
Direct Awards				
Scholarships for Health Professions Students from Disadvantaged	93.925		-	951,565
		Total Department of Health & Human Services Direct Awards	-	951,565
		Total Department of Health & Human Services	-	951,565
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				
			-	55,207,152
OTHER PROGRAMS				
Department of Agriculture				
Direct Awards				
Plant and Animal Disease Pest Control and Animal Care	10.025		20,698	22,768
Hispanic Serving Institutions Education Grants	10.223		13,000	118,535
		Total Department of Agriculture Direct Awards	33,698	141,303
Pass-Through Awards				
State Administrative Matching Grants for the Supplemental Nutrition	10.561	New Mexico Human Services Department	-	594,422
Rural Development Grants	10.769	Northwest New Mexico Council of Governments	-	(12,337)
		Total Department of Agriculture Pass-Through Awards	-	582,085
		Total Department of Agriculture	33,698	723,388
Department of Commerce				
Direct Awards				
Investments for Public Works and Economic Development Facilities	11.300		-	1,498,048
		Total Department of Commerce Direct Awards	-	1,498,048
		Total Department of Commerce	-	1,498,048
Department of Defense				
Direct Awards				
Air Force Defense Research Sciences Program	12.800		-	37,634
Language Grant Program	12.900		-	13,194
		Total Department of Defense Direct Awards	-	50,828
Pass-Through Awards				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Technology Student Association	-	11,543
		Total Department of Defense Pass-Through Awards	-	11,543
		Total Department of Defense	-	62,371
Department of the Interior				
Direct Awards				
Department of the Interior	15.000		-	222,892
Indian Adult Education	15.026		-	58,353
Cultural Resource Management	15.224		-	182
		Total Department of the Interior Direct Awards	-	281,427
Pass-Through Awards				
Wildlife Conservation and Restoration	15.625	New Mexico Energy Minerals and Natural Resources I	-	17,369
		Total Department of the Interior Pass-Through Awards	-	17,369
		Total Department of the Interior	-	298,796
Department of Justice				
Direct Awards				
Department of Justice	16.000		-	3,315
Desegregation of Public Education	16.100		-	226
		Total Department of Justice Direct Awards	-	3,541
Pass-Through Awards				
Crime Victim Assistance	16.575	New Mexico Crime Victims Reparation Commission	-	73,096
Project Safe Neighborhoods	16.609	New Mexico Public Safety Department	-	19,938
Postconviction DNA Testing Program	16.820	New Mexico Public Safety Department	-	91,549
		Total Department of Justice Pass-Through Awards	-	184,583
		Total Department of Justice	-	188,124
Department of Labor				
Pass-Through Awards				
Department of Labor	17.000	Fluor Federal Solutions, Inc.	-	64,859
Trade Adjustment Assistance Community College and Career Trainin	17.282	New Mexico Junior College	-	12,552
Trade Adjustment Assistance Community College and Career Trainin	17.282	Santa Fe Community College	-	272,775
	17.282	subtotal	-	285,327
		Total Department of Labor Pass-Through Awards	-	350,186
		Total Department of Labor	-	350,186

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Department of Transportation				
Pass-Through Awards				
Department of Transportation	20.000	New Mexico Department of Transportation	-	30,115
State and Community Highway Safety	20.600	New Mexico Department of Transportation	-	112,454
Minimum Penalties for Repeat Offenders for Driving While Intoxicat	20.608	New Mexico Department of Transportation	-	72,894
		Total Department of Transportation Pass-Through Awards	-	215,463
		Total Department of Transportation	-	215,463
Department of the Treasury				
Direct Awards				
Low Income Taxpayer Clinics	21.008		-	79,976
		Total Department of the Treasury Direct Awards	-	79,976
		Total Department of the Treasury	-	79,976
National Foundation on the Arts & Humanities				
Direct Awards				
Promotion of the Arts_Grants to Organizations and Individuals	45.024		-	9,092
Promotion of the Humanities Division of Preservation and	45.149		97,463	145,373
Museums for America	45.301		(14,817)	96,585
		Total National Foundation on the Arts & Humanities Direct Awards	82,646	251,050
Pass-Through Awards				
Promotion of the Arts_Grants to Organizations and Individuals	45.024	City of Albuquerque	-	7,177
		Total National Foundation on the Arts & Humanities Pass-Through Awards	-	7,177
		Total National Foundation on the Arts & Humanities	82,646	258,227
National Science Foundation				
Pass-Through Awards				
Education and Human Resources	47.076	Arizona State University	-	60,510
Education and Human Resources	47.076	New Mexico Institute of Mining and Technology	-	22,720
		Total National Science Foundation Pass-Through Awards	-	83,230
		Total National Science Foundation	-	83,230
Small Business Administration				
Pass-Through Awards				
Small Business Development Centers	59.037	Santa Fe Community College	-	68,093
		Total Small Business Administration Pass-Through Awards	-	68,093
		Total Small Business Administration	-	68,093
Department of Veterans Affairs				
Direct Awards				
Department of Veterans Affairs	64.000		-	294,443
		Total Department of Veterans Affairs Direct Awards	-	294,443
		Total Department of Veterans Affairs	-	294,443
Environmental Protection Agency				
Pass-Through Awards				
Surveys, Studies, Investigations, Demonstrations, and Training Grant	66.424	University of North Carolina at Chapel Hill	-	204,095
Chesapeake Bay Program	66.466	University of Maryland	-	7,024
		Total Environmental Protection Agency Pass-Through Awards	-	211,119
		Total Environmental Protection Agency	-	211,119
Nuclear Regulatory Commission				
Direct Awards				
U.S. Nuclear Regulatory Commission Nuclear Education Grant Progr	77.006		-	33,873
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Pr	77.008		-	57,987
		Total Nuclear Regulatory Commission Direct Awards	-	91,860
		Total Nuclear Regulatory Commission	-	91,860
Department of Energy				
Direct Awards				
Basic Energy Sciences University and Science Education	81.049		-	7,180
		Total Department of Energy Direct Awards	-	7,180
Pass-Through Awards				
Department of Energy	81.000	Los Alamos National Security, LLC	-	3,792
Department of Energy	81.000	Regional Development Corp	-	60,053
Department of Energy	81.000	Sandia National Laboratories	-	43,697
	81.000	subtotal	-	107,542
Office of Environmental Waste Processing	81.104	Regional Development Corp	-	48,487
		Total Department of Energy Pass-Through Awards	-	156,029
		Total Department of Energy	-	163,209

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Department of Education				
Direct Awards				
National Resource Center	84.015A		-	205,543
Fellowships	84.015B		-	264,384
Higher Education Institutional Aid	84.031		433,572	3,400,742
Higher Education Institutional Aid (B)	84.031C		492,572	1,027,296
TRIO Student Support Services	84.042		-	823,408
TRIO Upward Bound	84.047		-	902,402
TRIO Educational Opportunity Centers	84.066		-	250,483
Migrant Education High School Equivalency Program	84.141		-	812,221
Migrant Education College Assistance Migrant Program	84.149		-	830,157
Special Education-Grants for Infants and Families	84.181		-	411,972
McNair Post-Baccalaureate Achievement	84.217		-	208,053
Special Education Technical Assistance and Dissemination to Improv	84.326		-	101,736
Child Care Access Means Parents in School (B)	84.335		-	351,552
Total Department of Education Direct Awards			926,144	9,589,949
Pass-Through Awards				
Department of Education	84.000	NM Public Education Department	-	451,633
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	-	245,183
Desegregation Assistance Civil Rights Training and	84.004	New Mexico Higher Education Department	-	239,026
Title I Grants to Local Educational Agencies	84.010	Central Consolidated School District 22	-	(25)
Special Education Grants to States	84.027	New Mexico Department of Health	-	161,315
Special Education Grants to States	84.027	NM Public Education Department	-	122,774
	84.027	subtotal	-	284,089
Higher Education Institutional Aid	84.031	Northern New Mexico College	-	507,100
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	-	192,683
Career and Technical Education -- National Programs	84.051	NM Public Education Department	-	112,138
Rehabilitation Services Vocational Rehabilitation Grants	84.126	New Mexico Division of Vocational Rehabilitation	-	492,434
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	-	873,580
Special Education - Personnel Development to Improve Services and	84.325	New Mexico State University	-	107,354
School Leadership (B)	84.363	Albuquerque Public Schools	-	135,748
Race to the Top - Early Learning Challenge	84.412	New Mexico Children Youth and Family Department	268,125	2,449,203
Total Department of Education Pass-Through Awards			268,125	6,090,146
Total Department of Education			1,194,269	15,680,095
Department of Health & Human Services				
Direct Awards				
Department of Health & Human Services	93.000		-	592,636
Area Health Education Centers Point of Service Maintenance and Enl	93.107		238,715	314,574
Preventive Medicine and Public Health Residency Training Program,	93.117		-	18,210
Emergency Medical Services for Children	93.127		-	113,890
Substance Abuse and Mental Health Services-Projects of Regional an	93.243		6,174	425,814
Poison Center Support and Enhancement Grant Program	93.253		-	119,117
Grants for Education, Prevention, and Early Detection of Radiogenic	93.257		-	238,714
Skills Training and Health Workforce Development of Paraprofession	93.329		-	15,215
Nurse Education, Practice Quality and Retention Grants	93.359		-	718,518
Affordable Care Act (ACA) Expansion of Physician Assistant Trainin	93.514		-	45,686
Developmental Disabilities University Affiliated Programs	93.632		-	515,530
Health Careers Opportunity Program	93.822		-	1,076,664
Grants for Primary Care Training and Enhancement	93.884		-	354,282
Grants to Provide Outpatient Early Intervention Services	93.918		-	760,145
Prevention and Public Health Fund (PPHF) Public Health Traineeship	93.964		-	57,844
Health Professions Recruitment Program for Indians	93.970		-	52,045
Total Department of Health & Human Services Direct Awards			244,889	5,418,884
Pass-Through Awards				
Department of Health & Human Services	93.000	Albuquerque Area Indian Health Board Inc	-	51,452
Department of Health & Human Services	93.000	Colorado Department of Health Care Policy and Finan	-	10,384
Department of Health & Human Services	93.000	First Choice Community Healthcare	-	62,891
Department of Health & Human Services	93.000	Houston Academy of Medicine - Texas Medical Cente	-	39,903
Department of Health & Human Services	93.000	New Mexico Coalition of Sexual Assault Programs Inc	-	(5,634)
Department of Health & Human Services	93.000	New Mexico Department of Health	-	32,004
Department of Health & Human Services	93.000	New Mexico Developmental Disabilities Planning Cnc	-	159,080
Department of Health & Human Services	93.000	New Mexico Health Insurance Exchange	-	19,866

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 12

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Department of Health & Human Services	93.000	NM Developmental Disabilities Planning Council	-	1,229
Department of Health & Human Services	93.000	Seattle Indian Health Board	-	43,832
Department of Health & Human Services	93.000	University of South Florida	-	853
	93.000	subtotal	-	415,860
Medical Reserve Corps Small Grant Program (B)	93.008	National Association of County & City Health Official	-	24,521
Global AIDS (B)	93.067	Elizabeth Glaser Pediatric AIDS Foundation	-	44,186
Environmental Public Health and Emergency Response	93.070	New Mexico Department of Health	-	37,890
Hospital Preparedness Program (HPP) and Public Health Emergency	93.074	New Mexico Department of Health	-	99,475
Personal Responsibility Education Program	93.092	New Mexico Department of Health	-	7,612
Maternal and Child Health Federal Consolidated Programs	93.110	Oregon Health & Science University	-	505
National AIDS Education and Training Centers	93.145	University of Colorado	-	28,906
Urban Indian Health Services	93.193	Utah State University	-	116,664
Family Planning Services	93.217	New Mexico Department of Health	-	159,226
Traumatic Brain Injury State Demonstration Grant Program	93.234	New Mexico Human Services Department	-	345,896
Substance Abuse and Mental Health Services-Projects of Regional an	93.243	Mescalero Apache Tribal Council	-	197,618
Public Health Training Centers Program	93.249	Tulane University	-	51,922
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	-	208,885
The Affordable Care Act: Centers for Disease Control and Preventior	93.283	New Mexico Department of Health	-	602,107
National Public Health Improvement Initiative	93.292	Association of Maternal & Child Health Programs	-	12,653
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood H	93.505	New Mexico Children Youth and Family Department	-	2,625,860
The Affordable Care Act: Building Epidemiology, Laboratory, and H	93.521	New Mexico Department of Health	-	494,735
Community Services Block Grant	93.569	New Mexico Children Youth and Family Department	-	397,612
State Court Improvement Program	93.586	New Mexico Administrative Office of the Courts	-	12,964
Child Care Mandatory and Matching Funds of the Child Care and De	93.596	New Mexico Children Youth and Family Department	-	2,005,804
Head Start	93.600	Navajo Nation	-	5,687
ARRA - Head Start	93.708	New Mexico Children Youth and Family Department	-	11,374
Preventive Health and Health Services Block Grant funded solely wit	93.758	New Mexico Department of Health	-	21,844
Children's Health Insurance Program	93.767	New Mexico Department of Health	-	529,576
Children's Health Insurance Program	93.767	New Mexico Human Services Department	-	237,232
	93.767	subtotal	-	766,808
Medical Assistance Program	93.778	New Mexico Human Services Department	-	2,371,995
Medical Assistance Program	93.778	New Mexico Primary Care Association	-	12,375
	93.778	subtotal	-	2,384,370
HIV Care Formula Grants	93.917	New Mexico Department of Health	-	(115)
Cooperative Agreements for State-Based Comprehensive	93.919	New Mexico Department of Health	-	30,546
Block Grants for Prevention and Treatment of Substance	93.959	New Mexico Human Services Department	-	19,854
Preventive Health Services Sexually Transmitted Diseases	93.977	Apex Education Inc.	-	8,426
Preventive Health Services Sexually Transmitted Diseases	93.977	New Mexico Department of Health	-	68,310
	93.977	subtotal	-	76,736
Maternal and Child Health Services Block Grant to the	93.994	New Mexico Department of Health	-	288,660
		Total Department of Health & Human Services Pass-Through Awards	-	11,496,665
		Total Department of Health & Human Services	244,889	16,915,549
Department of Homeland Security				
Direct Awards				
Cooperating Technical Partners	97.045		-	106,601
		Total Department of Homeland Security Direct Awards	-	106,601
Pass-Through Awards				
Federal Emergency Management Agency	97.000	New Mexico Department of Homeland Security	-	27,128
Hazard Mitigation Grant	97.039	New Mexico Department of Homeland Security	-	24,728
		Total Department of Homeland Security Pass-Through Awards	-	51,856
		Total Department of Homeland Security	-	158,457
United States Agency for International Development				
Pass-Through Awards				
USAID Foreign Assistance for Programs Overseas (B)	98.001	Texas A&M University	-	9,565
		Total United States Agency for International Development Pass-Through Awards	-	9,565
		Total United States Agency for International Development	-	9,565
TOTAL OTHER PROGRAMS			1,555,502	37,350,199
TOTAL NONMAJOR PROGRAMS			\$ 19,670,253	\$ 246,311,855
TOTAL FEDERAL AWARDS			\$ 19,670,253	\$ 246,311,855

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Program	CFDA Number	Pass-Through Entity	Subrecipient Expenditures	Total Expenditures
Reconciliation to Exhibit B - Statement of Revenues, Expenditures, and Changes in Net Position				
Federal awards revenue (per Exhibit B):				
Federal grants and contracts revenue	\$		203,794,253	
Federal pell grant revenue			50,691,119	
Portion of capital grants and gifts revenue that is federal			374,148	
Federal stabilization grant revenue			554,616	
Portion of clinical operations revenue that is federal			473,308	
Portion of STC.UNM revenue that is federal			1,498,048	
Total federal awards revenue			257,385,492	
Reconciling items:				
Fee for service federal contract revenues - not reportable on schedule 12			(10,200,632)	
Residual balances on federal grants and contracts			(873,005)	
Total federal expenditures per schedule 12	\$		246,311,855	

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Note 2: Student Financial Aid

Perkins loans advanced to students in fiscal year 2015 totaled \$1,335,427. Perkins loans outstanding at June 30, 2014 totaled \$9,023,891. Federal Direct loans advanced to students in fiscal year 2015 totaled \$121,648,445.

Note 3: Department of Housing and Urban Development 242 Loan Guarantee

During fiscal year 2005, the Regents of the University of New Mexico issued FHA Insured Hospital Mortgage Revenue Bonds for the construction of the Children’s Hospital and Critical Care Pavilion. In conjunction with the construction project, the Department of Housing and Urban Development, under Section 242 CFDA number 14.128, issued a loan guarantee for the mortgage amount of \$115,000,000, which is considered subject to continuing compliance requirements under OMB Circular A-133.

During fiscal year 2011, the Sandoval Regional Medical Center (SRMC) issued FHA Insured Hospital Mortgage Revenue Bonds for the construction of the Sandoval Regional Medical Center. In conjunction with the construction project, the Department of Housing and Urban Development, under Section 242 CFDA number 14.128, issued a loan guarantee for the mortgage amount of \$143,425,000, which is considered subject to continuing compliance requirements under OMB Circular A-133.



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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
University of New Mexico
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, fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico (the University) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 18, 2015. Our report includes a reference to other auditors who audited the financial statements of two departments: UNM Hospital and the UNM Behavioral Operations, and two discretely presented component units: UNM Medical Group, Inc. and Sandoval Regional Medical Center, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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



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 findings and questioned costs as items 2015-001 through 2015-002.

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 18, 2015



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

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

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

Report on Compliance for Each Major Federal Program

We have audited the University of New Mexico's (the University) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2015. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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



expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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

KPMG LLP

Albuquerque, New Mexico
December 18, 2015

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THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2015

Finding 2014-001. Terminated Employee Documentation Process (Other Matter)

Current Status: Resolved.

Finding 2014-002. Review of Census Data Submitted to Actuary (Other Matter)

Current Status: Resolved.

Finding 2014-003. Voluntary Employee Benefit Association (VEBA) (Other Matter)

Current Status: Resolved.

Finding 2014-004. Expenses – Lobo Energy, Inc. (Other Matter)

Current Status: Resolved.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2015

Section I – Summary of Auditor Results

Basic Financial Statements

Type of auditor report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to basic
financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: **Unmodified**

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

_____ Yes X No

Identification of major program:

Mortgage Insurance – Hospitals and SRMC – CFDA 14.128

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

\$3,000,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2015

Section II – Basic Financial Statement Findings

2015-001. Revenues – Lobo Development Corporation (Other Matter)

Condition and Criteria

In accordance with the policies set forth by management, as noted in the Summary of Significant Accounting Policies and Practices, revenues are recognized under the terms of the Memorandum of Agreement (MOA) between the UNM Regents and Lobo Development. For the fiscal year ended June 30, 2015, it was determined that certain lease agreements between Lobo Development and UNM Regents contained 3% escalation clauses for rent due.

Lobo Development failed to properly identify that one of these lease agreements contained a 3% escalation clause for rent due which resulted in not properly recording the increased revenue associated with the lease agreement.

Effect

Weaknesses in internal control could result in inappropriate recognition of revenue.

Cause

Internal controls related to the recognition of revenues have not been properly designed or implemented.

Recommendation

We recommend that Lobo Development institute controls around the recognition of revenue to ensure that revenues are appropriately recognized in a timely and accurate fashion in accordance with management's policies.

University Response

The following operating procedure has been immediately implemented by the Operations Manager and the Secretary/Treasurer of the corporation. The Operations Manager will annually review all revenue contracts and supporting documentation to ensure proper recognition and collection of operating revenues.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2015

2015-002. Expenses – Lobo Energy, Incorporated (Other Matter)

Condition and Criteria

Per GASB Codification (GASB) 150.127h, Lobo Energy is required to recognize its share of the net income of an investee and adjust the carrying value investment accordingly. They should discontinue the use of the equity method once the investment is reduced to zero and should not recognize any additional losses.

For the fiscal year ended June 30, 2015, it was determined that the valuation of the equity method investment was not done in accordance with GASB and that there were inadequate controls in place to ensure the proper valuation of the investment.

Effect

Lack of internal controls could result in an inappropriate valuation of Lobo Energy's equity method security.

Cause

Internal controls related to the recognition and revaluation of the equity method security has not been properly designed or implemented.

Recommendation

We recommend that Lobo Energy institute controls around the recognition and valuation of the equity method security to ensure that the value and any associated gains or losses of the security are appropriately recognized in a timely and accurate fashion.

University Response

The following Corrective Action Plan has been immediately implemented by the President/CEO and the CFO of Lobo Energy, Incorporated. The equity method security will be evaluated at year-end by the President/CEO and the CFO of Lobo Energy, Incorporated to ensure proper valuation of the equity method security.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Section III – Federal Award Findings and Questioned Costs

None

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Revenues for the year ended June 30, 2015 — University Only Unaudited

	Tuition and fees	Other patient-related services	Clinical operations	Grants and contracts
Revenues	\$ 134,670,377	\$ 264,636,778	\$ 752,830,673	\$ 322,418,121
Excluded Revenues:				
State appropriations				
Local appropriations				
Patient services		264,636,778		
Restricted funds	14,388,000			
Federal grants & contracts				247,242,893
State grants & contracts				30,771,285
Nongovernmental grants & contracts				34,842,398
Facilities and administrative cost recovery				(45,019,338)
University of New Mexico Hospital			698,577,346	
University of New Mexico Behavioral Health Operations			54,253,327	
Total Excluded Revenues	\$ 14,388,000	\$ 264,636,778	\$ 752,830,673	\$ 267,837,238
Pledged Revenues	\$ 120,282,377	\$ -	\$ -	\$ 54,580,883

Resources Available to Cover the University's Debt Service (excluding Clinical Operations)

Pledged Revenues	\$ 495,645,485
Less FY15 Debt Service for the University:	
University's interest payments on debts	18,735,329
University's principal repayments on debts	144,397,934
Excess of Pledged Revenues over Debt Service	<u>\$ 332,512,222</u>
University's future average annual debt service through year ended June 30, 2036	\$ 26,683,503
University's future highest annual debt service year ended June 30, 2021	\$ 32,623,575

See accompanying independent auditors' report.

SCHEDULE 13

Sales, services, and auxiliary enterprises	Appropriations	Investments	Capital	Gifts	Other	Total
\$ 237,601,964	\$ 315,878,587	\$ 11,318,098	\$ 24,067,850	\$ 26,918,337	\$ 82,237,473	\$ 2,172,578,258
	308,196,174					308,196,174
	7,682,413					7,682,413
						264,636,778
4,071,304		2,732,972	24,067,850	412,633	30,076,738	75,749,497
						247,242,893
						30,771,285
						34,842,398
						(45,019,338)
						698,577,346
						54,253,327
\$ 4,071,304	\$ 315,878,587	\$ 2,732,972	\$ 24,067,850	\$ 412,633	\$ 30,076,738	\$ 1,676,932,773
\$ 233,530,660	\$ -	\$ 8,585,126	\$ -	\$ 26,505,704	\$ 52,160,735	\$ 495,645,485

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT) for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
IFB 1272-15	Invitation for Bid	TA Instruments	\$ 100,000	\$ 100,000	TA Instruments , 159 Lukens Dr, New Castle, DE 19720-2795; Mettler Toledo , 1900 Polaris Ave, Columbus, OH 43240; Netzsch Instruments , 129 Middlesex Turnpike, Burlington, MA 01803; R&M Government Services , 650 Montana Ave Ste A, Las Cruces, NM 88001	N	N	Dynamic Mechanical Analyzer
IFB 1273-15	Invitation for Bid	Daikin Applied	107,109	107,109	Daikin Applied , 2201 San Pedro NE Bld 1 Ste 225 Albuquerque, NM 87110; Cooling Tower Depot , 651 Corporate Circle Ste 206 Golden, CO 80401; C & E Industrial Services, Inc 103 Maguey Ct Sunland Park, NM 88063; Four Winds Mechanical , 3535 Princeton NE Albuquerque, NM 87107; BCH Construction , 2516 Southern Blvd SE Rio Rancho, NM 87124; GEW Mechanical , 127 Aztec, NW Albuquerque, NM 87107; Payne Consulting , PO Box 19384 Albuquerque, NM 87119; Yearout , 8501 Washington NE Albuquerque, NM 87113	N	N	Cooling Tower
IFB 1275-15	Invitation for Bid	ASI Signage Inc	66,140	71,299	ASI Signage Inc , 11337 E. Elmhurst Dr, Chandler, AZ 85249	N	N	Gallup Campus Signage
JOC #0000-595	Request for Proposal	ESA Construction Inc	82,995	82,995	ESA Construction Inc , 3435 Girard Blvd NE, Albuquerque, NM, 87107-1939	Y	N	Supplies, Construction
RFP 1648-14	Request for Proposal	ESA Construction & National Roofing Inc	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	ESA Construction , 3435 Girard NE, Albuquerque, NM 87107; National Roofing , 3908 Columbia Dr NE, Albuquerque, NM 87102; AIC General Contractor , 2703 Broadbent Pkwy, Albuquerque, NM 87107; BCH Construction , 2516 Southern Blvd SE, Rio Rancho, NM 87124; Centennial Contractors , 4113 Eubank NE st 400, Albuquerque, NM 87111; Consolidated Builders of NM , 6123 Coors SW, Albuquerque, NM 87121; Empire Builders , 12534 N 14 St Hwy, Cedar Crest, NM 87008; Klinger Construction , 8701 Washington NE, Albuquerque, NM 87113; Vigil Contracting Services , 1512 Coors SW, Albuquerque, NM 87121; Williamson Restoration , 2323 Aztec NE, Albuquerque, NM 87107; JB Henderson , 501 Eubank SE, Albuquerque, NM 87123; D&H United , 4400 Anaheim, Albuquerque, NM 87113; EverGuard Roofing , 512 Veranda Rd NW, Albuquerque, NM 87107; RoofCare , 609 Broadway NE, Albuquerque, NM 87102; B&D Industries , 9720 Bell SE, Albuquerque, NM 87123	Y	N	Job Order Contracting
RFP 1653-14	Request for Proposal	AIG Educational Markets	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	AIG Educational Markets , 2929 Allen Parkway, 12th Floor, Houston, TX 77019-2128; Associated Insurance Plans International , 28085 Ashley Circle, Suite 201, Libertyville, IL 60048; Academic Health Plans, Inc. , 3500 William D. Tate Ave., Suite 200, Grapevine, TX 76051; United Healthcare Student Resources , 805 Executive Center Drive West, Suite 220, Saint Petersburg, FL 33702	N	N	University Student Health Program

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT) for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
RFP 1659-14	Request for Proposal	Securitas	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Securitas , 4100 Osuna Rd NE, Albuquerque, NM 87106; Landmark , 4790 Irvine Blvd. Ste 105-323, Irvine, CA 92620; AAA Security , 1330 San Pedro NE Ste 103, Albuquerque, NM 87110; AJF Security , 1485 Penasco Rd, Rio Rancho, NM 87144; Guardsmark , 6121 Indian School Rd NE Ste. 143, Albuquerque, NM 87110; Ironstone Protective Services , 8201 Golf Course Rd NW Ste 175, Albuquerque, NM 87120; NM Protective Services , 1815 4th St. NW Unit A, Albuquerque, NM 87102; Santa Fe Protective Services , 8 Forrest Lane, Unit A-1, Santa Fe, NM 87508	Y	N	Security Services
RFP 1662-14	Request for Proposal	Industry Weapon	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Industry Weapon , 900 Parish St, Pittsburgh, PA 15220-3425; CastNet Alpha Video , 7711 Computer Ave, Edina, MN 55435; Four Winds , 3012 Huron Street, Denver, CO 80202; Access Technologies , 1301 Cuesta Arriba Ct. NE Ste. B, Albuquerque, NM 87113-1395; Visix , 230 Scientific Dr, Norcross, GA 30092; Wireless Ronin , 5929 Baker Rd Ste 475, Minneapolis, MN 55345; X20 Media , 147 Saint Paul West Ste 300, Montreal (Quebec) Canada H2Y 1Z5	N	N	UNM Digital Signage
RFP 1666-14	Request for Proposal	Franken Construction	3,328,000	3,293,971	Franken Construction , 1025 Douglas Ave. Las Vegas, NM 87701; Jaynes , 2906 Broadway NE Albuquerque, NM 87107; Brycon Corporation 134 Rio Rancho Blvd NE, Rio Rancho, NM 87124; Gerald A Martin , 4901 McLeod NE Albuquerque, NM 87109; HB Construction , 5301 Beverly Hills NE Albuquerque, NM 87113	Y	N	UNM Science & Math Learning Cntr. Phase II
RFP 1667-14	Request for Proposal	Dallago Corp.	1,201,014	1,201,014	Dallago Corp , 2411 East Aztec Gallup, NM 87301; Donner Plumbing & Heating , 107 Candelaria Rd NW Albuquerque, NM 87107; Murphy Builders , 808 S. Boardman Gallup, NM 87301-4711	Y	N	Gallup Campus Career & Education Bldg. HVAC Replacement
RFP 1668-14	Request for Proposal	Donner Plumbing & Heating	624,768	624,768	Donner Plumbing & Heating , 107 Candelaria Rd. NW Albuquerque, NM 87107; Integrated Control Systems , 4020 Vassar Dr NE Ste H Albuquerque, NM 87107; JB Henderson , 501 Eubank Blvd. SE Albuquerque, NM; Yearout Services , 8501 Washington NE Albuquerque, NM 87113	Y	N	Ceria HVAC Controls & Lighting Replacement
RFP 1669-14	Request for Proposal	NM Mortuary Service	53,500	84,777	NM Mortuary Service , 225 San Mateo Blvd., NE, Albuquerque, NM 87108	Y	N	Decendent Transport
RFP 1671-14	Request for Proposal	ASI/McGray Campus Laundry	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	ASI/McGray , 1755 Spaulding, Dayton, Ohio 45432; Coimnach Service , Dayton, Ohio	N	N	Residence Hall Laundry Services

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
RFP 1675-14	Request for Proposal	Demopolis, ESA, Great Western Specialty, Jaynes, Consolidated Builders, Hudspeth & Associates, Overhead Door dba DH Pace, Industrial Commercial Coatings LLC, Bob's Painting, Second to None Plumbing & Mechanical	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Demopolis Enterprises , 751 Sagebrush Dr. Corrales, NM 87048; ESA Construction , 3435 Girard Blvd NE Albuquerque, NM 87107; Great Western Specialty Systems , 8410 Washington St NE Ste A Albuquerque, NM 87113; Jaynes Corp , 2906 Broadway Blvd NE Albuquerque, NM 87107; Consolidated Builders , 6123 Coors Blvd SW Albuquerque, NM 87121; Hudspeth & Associates , 4775 South Santa Fe Cir. Englewood, CO 80110; Overhead Door dba DH Pace , 3820 Academy Pkwy NE, Albuquerque, NM 87109; Industrial Commercial Coatings, LLC 9025 4th St NW Albuquerque, NM 87114; Bob's Painting , PO Box 93604 Albuquerque, NM 87199, 3111 Country View Rd SW Albuquerque, NM 87105; Qeston Construction Inc , 7518 2nd St. NW Albuquerque, NM 87107; Coronado Wrecking and Salvage , 4200 Broadway Blvd SE Albuquerque, NM 87105; Bright Ideas Electrical , 3240 Caliber Rd SW Albuquerque, NM 87121; Astro Construction , 3 Crest Court Sandia Park, NM 87047; Glass Rite Windows and Doors , 808 Gibson SE Albuquerque, NM 87102; Business Environments , 5351 Wilshire Ave, Albuquerque, NM 87113; Circuit Doctor , 216 Vineyard Rd. NW Albuquerque, NM 87102; Osceola Energy Inc , 4801 Lang Ave. Albuquerque, NM 87113; Great Western	Y	Y	On Call Contractors
RFP 1676-14	Request for Proposal	Great Western Specialty Systems, Intraworks, Sound & Signal of NM	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Great Western Specialty Systems , 8410 Washington St NE Ste A Albuquerque, NM 87113; Intraworks , 7910 Lorraine CT. NE Albuquerque, NM 87131; Sound & Signal of NM , 3233 Stanford Dr. NE Albuquerque, NM 87107	Y	N	Fire Alarm Services
RFP 1678-14	Request for Proposal	Keers Remediation, SW Abatement, SW Hazard	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Keers Remediation , 5904 Florence Ave., Albq., NM 87113; SW Abatement , 4609 Kinney St. SE, Albq., NM 87105; SW Hazard Control , 9112 Susan SE, Albq., NM 87123; Hudspeth & Assoc. , 3756 Hawkins St. NE, Albq, NM 87109; GranCor Enterprises , 2121 Menaul Blvd. NE, Albq., NM 87107; ERMS , 4200 Broadway SE, Albq., NM 87105; Williamson Restoration , 2323A Aztec Rd NE, Albq., NM 87107	Y	N	Asbestos Abatement
RFP 1684-14	Request for Proposal	US Electrical	482,514	520,340	US Electrical Corp. , 301 California St SE, Albuquerque, NM 87108; Bixby Electric , 521 Wheeler Ave SE, Albuquerque, NM 87102	Y	N	Student Family Housing Upgrades
RFP 1686-15	Request for Proposal	Bridgers & Paxton	221,954	278,736	GLHN Architects and Engineers , 2939 E. Broadway Blvd Tucson, AZ 85718; Assurance Engineering Inc , 5801 Osuna Road NE Albuquerque, NM 87109; ArSed Engineering Group LLC , 4700 Lincoln Rd. NE Albuquerque, NM 87109; T&D Services , 8909 Adams St. NE, Suite B Albuquerque, NM 87113; Bridgers & Paxton , 4600 C Montgomery Blvd. NE, Albuquerque, NM 87109; Rock Gap Engineering , 3737 Princeton St. NE, Suite 100 Albuquerque, NM 87107	Y	N	UNMVC Chilled Water System
RFP 1689-15	Request for Proposal	HB Construction	2,573,000	2,419,083	Gerald Martin , PO Box 91450 Albuquerque, NM 87131; HB Construction , 5301 Beverly Hills NE Albuquerque, NM 87113; Enterprise Builders , PO Box 3987 Albuquerque, NM 87190	N	Y	UNM Taos Core Student Success Center
RFP 1690-15	Request for Proposal	Sound and Signal, Intraworks Inc.	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Sound and Signal Systems , 3233 Stanford Dr. NE Albuquerque, NM 87107; Intraworks , 7910 Lorraine CT. NE Albuquerque, NM 87131; Select Electrical Systems , 3314 Vassar NE Albuquerque, NM 87107; Energy Control Inc , 2600 American Rd. SE, Suite 360 Rio Rancho, NM 87124	Y	N	UNM Fire Alarm Testing Area 2

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT) for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
RFP 1692-15	Request for Proposal	Aon Risk Insurance Services West	\$149,950/Yr	\$149,950/Yr	Aon Risk Insurance Services West , 6501 Americas Parkway NE, Suite 650, Albuquerque, NM 87110; Sibson Consulting , 1230 West Washington Street, Suite 501, Tempe, AZ 85281-1248; Hay Group , 1650 Arch St., Philadelphia, PA 19103-2029; Arthur J Gallagher & Co. , 6399 South Fiddler's Green Circle, Suite 200, Greenwood Village, CO 80111; HUB International , 7770 Jefferson NE, Suite 101, Albuquerque, NM 87109	Y	N	Employee Benefits Consulting Services
RFP 1694-15	Request for Proposal	ECG Management Consultants	55,280	110,280	ECG Management Consultants , 1111 Third Ave, Suite 2700, Seattle, WA 98101; Scott Madden Management Consultants , 2026 Glenwood Ave, Suite 480, Raleigh, NC 27608; Chazy Partners, Inc. , 52 Chestnut Ave, Los Gatos, CA 95030	N	N	Organizational Design & Development Study Services
RFP 1695-15	Request for Proposal	Fresh and Clean	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Fresh and Clean , 4202 Broadway Blvd. SE, Albq., NM 87105; AAA Pumping Service , P.O. Box 87195, Albq., NM 87195	Y	N	Portable Restroom Rental Services
RFP 1701-15	Request for Proposal	Bank of Albuquerque	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	Bank of Albuquerque , 201 Third Street NW, Suite 1400, Albuquerque, NM 87102; Bank of the West , 500 Marquette Ave. NW, Suite 1400, Albuquerque, NM 87102; Morgan Stanley , 227 W. Monroe, Suite 3400, Chicago, IL 60606; PFM Asset Management , 50 California Street, Suite 2300, San Francisco, CA 94111	Y	N	Investment Advisory Services
RFP 1704-15	Request for Proposal	Daniel B Stephens & Associates, Inc	80,000	80,000	Daniel B Stephens & Associates , 6020 Academy Rd NE Ste 100, Albuquerque, NM 87109-3315	Y	N	A&E Drain Study
RFP 1705-15	Request for Proposal	Donner Plumbing & Heating	550,000	654,700	Donner Plumbing & Heating , 107 Candelaria Rd NW Albuquerque, NM 87107	Y	N	Domenci Hall HVAC Systems Maintenance
RFP 1706-15	Request for Proposal	R & B Commercial Service, Inc.	Indeterminate - Not a Fixed Price Contract	Indeterminate - Not a Fixed Price Contract	R&B Commercial Service , P.O. Box 36378, Albq., NM 87176; GEW Mechanical Inc. , 127 Aztec Rd. NW, Albq., NM 87107	Y	N	Food Service Equipment & Maintenance
RFP 1709-15	Request for Proposal	Van Scoyoc Associates	\$216,000.00 /Yr	\$216,000.00 /Yr	Van Scoyoc & Associates , 101 Constitution Ave. NW, Suite 600W, Washington, DC 20001-2147; Cassidy & Associates , 733 10th Street NW, Suite 400, Washington, DC 20001; FTI Consulting LLC , 325 7th Street NW, Suite 400, Washington, DC 20004	N	N	Federal Relations Consultant
RFP 1710-15	Request for Proposal	Dallago Corp.	1,198,500	1,364,738	Dallago Corp , 2411 East Aztec Gallup, NM 87301; Smitco Construction , 6 King Canyon Loop Caballo, NM 87931; AUI Inc , PO Box 9825 Albuquerque, NM 87131; RMCI Inc , 6211 Chappell Rd. NE Albuquerque, NM 87113	N	Y	UNM Gallup Campus Utilities Infrastructure and Fire Protection
RFP 1728-15	Request for Proposal	Albuquerque Asphalt Inc	592,729	592,729	Albuquerque Asphalt Inc , PO Box 66450 Albuquerque, NM 87193; Franklin's Earth Moving Inc , 2425 Jefferson St NE Albuquerque, NM 87110; Guzman Construction Solution LLC , 6020 Industry Way SE Albuquerque, NM 87105; Sparling Construction Co Inc , PO Box 90548 Albuquerque, NM 87199; Star Paving Company , 3109 Love Rd SW Albuquerque, NM 87121; TLS Company Inc , 5000 Edith NE Albuquerque, NM 87107; Universal Constructors Inc , 3825 Academy Parkway North NE Albuquerque, NM 87109	N	Y	UNM Valencia Loop Rd. & Parking Expansion
N/A	Emergency Procurement	Maez Water Sources & Drilling	87,000	87,000	C/O Maez Water Sources & Drill, 3552 State Highway Peralta, NM, 87042-8820	Y	N/A - Not Bid	Services, Maintenance - Grounds/Industrial
N/A	Emergency Procurement	Prime Electric Inc	80,000	80,000	C/O Gamblin Rodgers Electrical, 3312 Girard Blvd NE, Albuquerque, NM 87107	Y	N/A - Not Bid	Services, Industrial
N/A	Exempt	625 Silver LLC	90,138	90,138	MSC 525, PO Box 52163 Phoenix, AZ, 85072-2163	N	N/A - Not Bid	Services, Leases/ Real Estate

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT) for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
N/A	Exempt	Jackie Apple Bleed Travels Inc	77,500	77,500	C/O David Weise & Associates, 1600 Ventura Blvd Ste 600 Encino, CA, 91436	N	N/A - Not Bid	Services, Entertainment
N/A	Exempt	Harlan Laboratories Inc	320,000	320,000	3565 Paysphere Cir, Chicago, IL, 60674-0035	N	N/A - Not Bid	Supplies, Lab/Research
N/A	Exempt	Jackson Laboratory	100,000	100,000	90260 Collection Center Dr, C/O Bank Of America Chicago, IL, 60693-0001	N	N/A - Not Bid	Supplies, Lab/Research
N/A	Exempt	National Public Radio	61,011	61,011	PO Box 79540, Baltimore, MD, 21279-0540	N	N/A - Not Bid	Membership Dues
N/A	Exempt	National Public Radio	65,559	65,559	PO Box 79540, Baltimore, MD, 21279-0540	N	N/A - Not Bid	Membership Dues
N/A	Exempt	National Public Radio	61,011	61,011	PO Box 79540, Baltimore, MD, 21279-0540	N	N/A - Not Bid	Membership Dues
N/A	Exempt	National Public Radio	61,011	61,011	PO Box 79540, Baltimore, MD, 21279-0540	N	N/A - Not Bid	Membership Dues
N/A	Exempt	Center for Health Care Strategies Inc	100,000	100,000	200 American Metro Blvd Ste 11, Trenton, NJ, 08619-2320	N	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	Cornali Legal Nurse Consulting LLC	60,000	60,000	12013 Irish Mist Rd NE, Albuquerque, NM, 87122-3116	Y	N/A - Not Bid	Services, Legal
N/A	Exempt	KOB TV LLC	270,000	270,000	PO Box 1351, Albuquerque, NM, 87103-1351	Y	N/A - Not Bid	Services, Advertising
N/A	Exempt	Nuevowood & Outdoor Southwest	326,870	326,870	C/O Tomas Sanchez, 11638 Candelaria Rd NE Albuquerque, NM, 87112-1803	Y	N/A - Not Bid	Services, Advertising
N/A	Exempt	Castillo Prestress	178,000	178,000	116 Padilla Rd, Belen, NM, 87002-7502	Y	N/A - Not Bid	Services, Grounds/Landscaping
N/A	Exempt	Manzano Mountain Retreat	95,000	95,000	Kim Simmons, PO Box 259 Torreon, NM, 87061-0259	Y	N/A - Not Bid	Services, Training
N/A	Exempt	Science & Technology Corp	882,000	882,000	801 University Blvd SE Ste 101, Albuquerque, NM, 87106-4345	Y	N/A - Not Bid	Services, Legal
N/A	Exempt	City of Gallup	432,000	432,000	Utility Systems, PO Box 1400 Gallup, NM, 87305-1400	Y	N/A - Not Bid	Services, Utilities
N/A	Exempt	Alcohol & Gaming Division	513,000	513,000	C/O Scientific Laboratory Divi, 1101 Camino De Salud Albuquerque, NM, 87102-4519	Y	N/A - Not Bid	Services, Utilities
N/A	Exempt	CABQ CS Balloon Museum	80,000	80,000	PO Box 1985, Albuquerque, NM, 87103-1985	Y	N/A - Not Bid	Services, Fire/Safety/Security
N/A	Exempt	Roswell Hospital Corp	75,833	75,833	Attn Teresa Spurny, 405 W Country Club Rd Roswell, NM, 88201-5209	Y	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	Roosevelt General Hospital	270,000	270,000	42121 US 70, Portales, NM, 88130-9357	Y	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	First Choice Community Healthcare	180,000	180,000	PO Box 26898, Albuquerque, NM, 87125-6898	Y	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	Hidalgo Medical Services	180,000	180,000	530 De Moss St, Lordsburg, NM, 88045-2618	Y	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	La Casa Family Health Center	90,000	90,000	1515 W Fir St, Portales, NM, 88130-5703	Y	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	Presbyterian Medical Services	270,000	270,000	PO Box 3239, Farmington, NM, 87499-3239	Y	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	LRRI	100,000	100,000	Attn Accounts Receivable, 2425 Ridgecrest Dr SE Albuquerque, NM, 87108-5127	Y	N/A - Not Bid	Services, Lab/Research
N/A	Exempt	Alamogordo Primate Facility	70,000	70,000	PO Box 27812, New York, NY, 10087-7812	N	N/A - Not Bid	Supplies, Lab/Research
N/A	Exempt	University of Pittsburgh	60,000	60,000	C/O University Health Center O, PO Box 223270 Pittsburgh, PA, 15251-2270	N	N/A - Not Bid	Services, Medical/Dental
N/A	Exempt	Cell Press	148,720	148,720	PO Box 7247 8950, Philadelphia, PA, 19170-0001	N	N/A - Not Bid	Services, Printing/Publication/Copying
N/A	Exempt	Cwenar Photography	61,450	61,450	Tom Cwenar, 1400 Breed St Pittsburgh, PA, 15203-1534	N	N/A - Not Bid	Services, Audio/Visual
N/A	Exempt	Cwenar Photography	64,880	64,880	Tom Cwenar, 1400 Breed St Pittsburgh, PA, 15203-1534	N	N/A - Not Bid	Services, Audio/Visual
N/A	Exempt	HLM Medical Management Firm	87,200	87,200	2500 N Houston St Apt 2711, Dallas, TX, 75219-7668	N	N/A - Not Bid	Services, Employment
N/A	Exempt	CHG Co Inc	400,000	400,000	C/O Comphealth, PO Box 57915 Salt Lake City, UT, 84157-0915	N	N/A - Not Bid	Services, Employment
N/A	Non-SPD Price Agreement	Insight	75,949	75,949	C/O Insight, 6820 S Harl Ave Tempe, AZ, 85283-4318	N	N/A - Not Bid	Services, Software Subscriptions/Licenses
N/A	Non-SPD Price Agreement	Brocade Communications Systems Inc	160,522	160,522	130 Holger Way, San Jose, CA, 95134-1376	N	N/A - Not Bid	Equipment, Computer - Capital
N/A	Non-SPD Price Agreement	Cardinal Health	300,000	300,000	Cardinal Health 411 Inc, C/O Bank Of America Los Angeles, CA, 90074-0001	N	N/A - Not Bid	Supplies, Medical/Clinical
N/A	Non-SPD Price Agreement	HP Care Pack Sales	255,000	255,000	C/O Public Sector Sales, 10810 Farnam Dr Omaha, NE, 68154-3237	N	N/A - Not Bid	Equipment, Computer - Capital
N/A	Non-SPD Price Agreement	Teknion LLC	96,933	96,933	C/O Creative Interiors Inc, 350 Fellowship Mount Laurel, NJ, 08054-1201	N	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Goodmans Inc	120,863	120,863	4860 Pan American Frwy NE, Albuquerque, NM, 87109	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Goodmans Inc	61,454	61,454	4860 Pan American Frwy NE, Albuquerque, NM, 87109	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Goodmans Inc	209,603	209,603	4860 Pan American Frwy NE, Albuquerque, NM, 87109	Y	N/A - Not Bid	Equipment, Furniture

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
N/A	Non-SPD Price Agreement	Goodmans Inc	210,686	210,686	4860 Pan American Frwy NE, Albuquerque, NM, 87109	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Business Environments	72,868	72,868	C/O Business Environments, 5351 Wilshire Av Albuquerque, NM, 87113-1934	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Creative Interiors Inc	188,481	188,481	1030 Agua Fria St, Santa Fe, NM, 87501-2434	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Spacesaver Storage	123,499	123,499	C/O Improve Group Llc, 3550 Pan American Fwy NE Ste A Albuquerque, NM, 87107-4750	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Goodmans Inc	150,432	150,432	4860 Pan American Frwy NE, Albuquerque, NM, 87109	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Albuquerque Asphalt	232,839	232,839	PO Box 66450, 202 94th St Albuquerque, NM, 87193-6450	Y	N/A - Not Bid	Services, Maintenance - Grounds/Industrial
N/A	Non-SPD Price Agreement	Cooperative Educational Services	112,915	112,915	4216 Balloon Park Rd NE, Albuquerque, NM, 87109-5801	Y	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	VWR International Inc	68,000	68,000	Attn:Greg White, 10408 Aventura Ct NW Albuquerque, NM, 87114-3837	Y	N/A - Not Bid	Equipment, Medical/Clinical - Capital
N/A	Non-SPD Price Agreement	Cooperative Educational Services	394,922	394,922	4216 Balloon Park Rd NE, Albuquerque, NM, 87109-5801	Y	N/A - Not Bid	Vehicles, greater than 5 ton
N/A	Non-SPD Price Agreement	SCI Inc	129,067	129,067	3801 Rutledge Rd NE, Albuquerque, NM, 87109-5564	Y	N/A - Not Bid	Services, Fire/Safety/Security
N/A	Non-SPD Price Agreement	VWR International Inc	466,074	466,074	3021 Gateway Dr Ste 280, Irving, TX, 75063-2671	N	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	Leland M Thompson Inc	75,114	75,114	C/O Southwest Contract, 17 Professional Dr Temple, TX, 76504-8830	N	N/A - Not Bid	Equipment, Furniture
N/A	Non-SPD Price Agreement	VWR International Inc	96,428	96,428	3021 Gateway Dr Ste 280, Irving, TX, 75063-2671	N	N/A - Not Bid	Equipment, Furniture
N/A	Other	Ventegra LLC	62,115	62,115	450 N Brand Blvd Ste 600, Glendale, CA, 91203-2349	N	N/A - Not Bid	Conference Fees
N/A	Sole Source	ThermAir Integrated Technologies	73,482	73,482	245 S Dobson Rd, Mesa, AZ, 85202-1039	N	N/A - Not Bid	Services, Maintenance - Building
N/A	Sole Source	Velos Inc	72,000	72,000	2201 Walnut Ave Ste 208, Fremont, CA, 94538-2334	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Illumina Inc	230,000	230,000	Attn: Accounts Payable, 5200 Illumina Way San Diego, CA, 92122-4616	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Cruse	163,800	163,800	2429 Roosevelt Ave, Berkeley, CA, 94703-1929	N	N/A - Not Bid	Services, Lab/Research
N/A	Sole Source	Haier	60,000	60,000	10 Harvey Ct, Irvine, CA, 92617-4033	N	N/A - Not Bid	Services, Medical/Dental
N/A	Sole Source	CENIC	90,000	90,000	16700 Valley View Ave Apt 400, La Mirada, CA, 90638-5830	N	N/A - Not Bid	Services, Data Network/Telecom Services
N/A	Sole Source	Oracle America Inc	102,133	102,133	4150 Network Cir, Santa Clara, CA, 95054-1778	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	CENIC	181,607	181,607	16700 Valley View Ave Apt 400, La Mirada, CA, 90638-5830	N	N/A - Not Bid	Membership Dues
N/A	Sole Source	Adobe Systems Inc	376,186	376,186	345 Park Ave, San Jose, CA, 95110-2704	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Cornerstone	225,000	225,000	1601 Cloverfield Blvd Ste 620S, Santa Monica, CA, 90404-4178	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	VM Ware Inc	156,309	156,309	3145 Porter Dr, Palo Alto, CA, 94304-1234	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Solar Turbines Inc	182,244	182,244	9330 Sky Park Ct, San Diego, CA, 92123-4304	N	N/A - Not Bid	Services, Industrial
N/A	Sole Source	Digicom Electronics Inc	115,200	115,200	7799 Pardee Ln, Oakland, CA, 94621-1425	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Daylight Solutions Inc	83,983	83,983	15378 Avenue Of Science Ste 20, San Diego, CA, 92128-3451	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Buildersinc	70,720	70,720	4600 S Ulster St Ste 820, Denver, CO, 80237-2873	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Edelman	80,000	80,000	Edelman Training & Development, 1355 S Downing St Denver, CO, 80210-2310	N	N/A - Not Bid	Services, Training
N/A	Sole Source	Blackboard Inc	118,193	118,193	650 Massachusetts Ave NW, 6th Floor Washington, DC, 20001-3796	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Blackboard Inc	124,103	124,103	650 Massachusetts Ave NW, 6th Floor Washington, DC, 20001-3796	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Lab Products Inc	351,538	351,538	PO Box 639, Seaford, DE, 19973-0639	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	TA Instruments Inc	70,744	70,744	159 Lukens Dr, New Castle, DE, 19720-2795	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Syndaver Labs Inc	100,800	100,800	8506 Benjamin Rd Ste C, Tampa, FL, 33634-1242	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Thermo Electron North America LLC	87,046	87,046	1400 Northpoint Pkwy Ste 10, West Palm Beach, FL, 33407-1976	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	C-Rad Inc	116,016	116,016	70 SE 4th Ave, Delray Beach, FL, 33483-4514	N	N/A - Not Bid	Equipment, Medical/Clinical - Capital
N/A	Sole Source	Thermo Electron North America LLC	346,324	346,324	1400 Northpoint Pkwy Ste 10, West Palm Beach, FL, 33407-1976	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Elekta Inc	300,000	300,000	4775 Peachtree Industrial Blvd, Norcross, GA, 30092-3011	N	N/A - Not Bid	Equipment, Medical/Clinical - Capital
N/A	Sole Source	Nielsen Media Research Inc	90,000	90,000	150 N Martingale Rd, Schaumburg, IL, 60173-2408	N	N/A - Not Bid	Services, Data Network/Telecom Services

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
for the year ended June 30, 2015
Unaudited

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
N/A	Sole Source	TouchNet Information Systems Inc	223,085	223,085	15520 College Blvd, Lenexa, KS, 66219-1353	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Jeol USA Inc	71,979	71,979	11 Dearborn Rd, Peabody, MA, 01960-3823	N	N/A - Not Bid	Services, Maintenance - Equipment
N/A	Sole Source	Oxford Instruments America Inc	132,920	132,920	300 Baker Ave Ste 150, Concord, MA, 01742-2124	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Kronos Inc	73,133	73,133	297 Billerica Rd, Chelmsford, MA, 01824-4119	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Math Works Inc	97,353	97,353	PO Box 845428, Boston, MA, 02284-5428	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Internet2	168,425	168,425	3025 Boardwalk St Ste 100, Ann Arbor, MI, 48108-3260	N	N/A - Not Bid	Membership Dues
N/A	Sole Source	Apply Yourself Inc	120,750	120,750	PO Box 505208, Saint Louis, MO, 63150-5208	N	N/A - Not Bid	Services, Software Subscriptions/Licenses
N/A	Sole Source	Bitterroot Services & Technology	611,846	611,846	5591 Bridlepath Ln, Florence, MT, 59833-6663	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Burns Industries Inc	182,907	182,907	141 Canal St, Nashua, NH, 03064-2876	N	N/A - Not Bid	Equipment, Telecommunications/Radio - Capital
N/A	Sole Source	Horiba Instruments Incorp	155,000	155,000	3880 Park Ave, Edison, NJ, 08820-3012	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital
N/A	Sole Source	Thermo Systems LLC	75,440	75,440	84 Twin Rivers Dr, East Windsor, NJ, 08520-5213	N	N/A - Not Bid	Services, Industrial
N/A	Sole Source	Kaplan	79,962	79,962	C/O Kaplan Education Ctr, 2501 San Pedro Dr NE Ste 203, Albuquerque, NM, 87110-4122	Y	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	Biomedical Research Institute of New Mexico	73,260	73,260	1501 San Pedro Dr SE Bldg 14, Albuquerque, NM, 87108-5153	Y	N/A - Not Bid	Services, Lab/Research
N/A	Sole Source	AGC NM Building Branch	90,000	90,000	1615 University Blvd NE, Albuquerque, NM, 87102-1717	Y	N/A - Not Bid	Services, Training
N/A	Sole Source	Albuquerque Dealership Acquisition LTD	62,996	62,996	Db Mercedes Benz Of Albuquerque, 8920 Pan American Fwy NE, Albuquerque, NM, 87113-2424	Y	N/A - Not Bid	Vehicles, greater than 5 ton
N/A	Sole Source	New Mexico Cancer Care Alliance	264,094	264,094	PO Box 4428, Albuquerque, NM, 87196-4428	Y	N/A - Not Bid	Services, Lab/Research
N/A	Sole Source	Biomedical Research Institute of New Mexico	62,404	62,404	1501 San Pedro Dr SE Bldg 14, Albuquerque, NM, 87108-5153	Y	N/A - Not Bid	Services, Lab/Research
N/A	Sole Source	NMXS Inc	1,600,000	1,600,000	5021 Indian School Rd NE Ste 1, Albuquerque, NM, 87110-3951	Y	N/A - Not Bid	Equipment, Computer
N/A	Sole Source	Pete's Equipment Repair Inc	201,821	201,821	1412 Broadway Blvd NE, Albuquerque, NM, 87102-1568	Y	N/A - Not Bid	Vehicles, greater than 5 ton
N/A	Sole Source	Eggelhof Inc	74,433	74,433	3600 Osuna Rd NE, Albuquerque, NM, 87109-4426	Y	N/A - Not Bid	Services, Maintenance - Building
N/A	Sole Source	Eggelhof Inc	74,223	74,223	3600 Osuna Rd NE, Albuquerque, NM, 87109-4426	Y	N/A - Not Bid	Services, Maintenance - Building
N/A	Sole Source	RoadScanners USA Inc	76,590	76,590	10 E 40th St Fl 10, New York, NY, 10016-0201	N	N/A - Not Bid	Equipment, Audio/Visual - Capital
N/A	Sole Source	PVI, Peer View Institute for Medical Education	235,850	235,850	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	PVI, Peer View Institute for Medical Education	371,680	371,680	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	PVI, Peer View Institute for Medical Education	131,450	131,450	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	PVI, Peer View Institute for Medical Education	132,000	132,000	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	PVI, Peer View Institute for Medical Education	282,326	282,326	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	PVI, Peer View Institute for Medical Education	168,750	168,750	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	PVI, Peer View Institute for Medical Education	89,281	89,281	174 W 4th St, New York, NY, 10014-3964	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	FEI Co	73,571	73,571	5350 NE Dawson Creek Dr, Hillsboro, OR, 97124-5793	N	N/A - Not Bid	Services, Maintenance - Equipment
N/A	Sole Source	Ellucian Company LP	199,813	199,813	4 Country View Rd, Malvern, PA, 19355-1408	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Ellucian Company LP	257,176	257,176	4 Country View Rd, Malvern, PA, 19355-1408	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Ellucian Company LP	244,969	244,969	4 Country View Rd, Malvern, PA, 19355-1408	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	UPPI LLC	63,738	63,738	1185 Woods Chapel Rd, Duncan, SC, 29334-9233	N	N/A - Not Bid	Supplies, Lab/Research

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Unaudited

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N/A	Sole Source	Kaplan	90,650	90,650	PO Box 203895, Dallas, TX, 75320-3895	N	N/A - Not Bid	Services, Classroom/Instructional
N/A	Sole Source	Resources For Learning LLC	80,000	80,000	7035 Bee Cave Rd Ste 101, Austin, TX, 78746-5064	N	N/A - Not Bid	Services, Training
N/A	Sole Source	PeopleAdmin Inc	106,980	106,980	816 Congress Ave Ste 1800, Austin, TX, 78701-2482	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Novell Inc	91,177	91,177	1800 Novell Pl, Provo, UT, 84606-6101	N	N/A - Not Bid	Supplies, Software
N/A	Sole Source	Network Consulting Services Inc	88,096	88,096	Attn: Chris Hiett, 563 W 500 S Ste 245 Bountiful, UT, 84010-8290	N	N/A - Not Bid	Services, Software Subscriptions/Licenses
N/A	Sole Source	Royall & Co	221,870	221,870	1920 E Parham Rd, Richmond, VA, 23228-2206	N	N/A - Not Bid	Services, Website Design and Related
N/A	Sole Source	Black Box Network Services Inc	192,884	192,884	Drew Regan, 44873 Falcon Pl Ste 118 Sterling, VA, 20166-9543	N	N/A - Not Bid	Equipment, Computer - Capital
N/A	Sole Source	Microsoft Corporation	64,000	64,000	C/O Microsoft Online, 1 Microsoft Way Redmond, WA, 98052-8300	N	N/A - Not Bid	Services, Software Subscriptions/Licenses
N/A	Sole Source	Thermo Electron North America LLC	361,975	361,975	C/O Thermo Fisher Scientific, 5525 Verona Rd Madison, WI, 53711	N	N/A - Not Bid	Equipment, Lab/Research (Complex) - Capital

THE UNIVERSITY OF NEW MEXICO

EXIT CONFERENCE

June 30, 2015

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on November 5, 2015, in which the contents of this report were discussed with the following:

UNIVERSITY OF NEW MEXICO

Bradley C. Hosmer	Chair, UNM Board of Regents Audit Committee
Suzanne Quillen	Vice Chair, UNM Board of Regents Audit Committee
Jack L. Fortner	UNM Board of Regents Audit Committee
Chaouki Abdallah	Provost and Executive Vice President for Academic Affairs
Elizabeth Metzger	University Controller
Michael Schwantes	Chief Financial Services Officer, HSC
Shawna Gonzales	Executive Director of Finance/Controller, UNM Hospitals
Chris Vallejos	Associate Vice President, Institutional Support Services
Kimberly Bell	Deputy University Counsel
Helen Gonzales	Chief Compliance Officer, Compliance Office
Manilal Patel	Director, Internal Audit
Purvi Mody	Executive Director, Compliance and Audit, UNM Hospitals
Amy Wohlert	Chief of Staff, Office of the President
Staff	University Internal Audit Department

KPMG LLP

John Kennedy	Partner
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MOSS ADAMS LLP

Josh Lewis	Senior Manager
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